THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XX. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, DECEMBER 10, 1926 Member of Audit Bureau of Circulations No. 50

The Nation's Business

Our Business Independence
Australia Cultivates American Trade
Imperial Conference and Immigration
U.S. Envious of Profits Bootleggers Make

NOTHING more significant is being demonstrated in Canada today than the fact that this country has declared itself independent, in large measure, from the United States, in its business and investment trend. The American stock markets have been exceedingly touchy, while Canadian stock securities have moved right ahead. There are now signs of uncertainty ahead in American business. The best informed men in Canada are most optimistic, looking forward towards 1927 business in this country.

American bankers and economists are warning against undue optimism. Yet here in Canada, our bank presidents and general managers betray no trace of pessimism. This week, Sir Vincent Meredith and Sir Frederick Williams Taylor, president and general manager of the Bank of Montreal, were both very cheery in their forecasts of Canadian business during the coming months.

* * *

SIR HUGH DENISON, the new Commissioner for Australia to the United States, in a speech to the Chamber of Commerce of New York State, has given utterance to carefully prepared statements that have created something of a sensation in business circles in the United States, and will likely cause some consternation in those Canadian circles which are enjoying the advantages of the preferential treaty with Australia. He stated that Australia was going to erect a high tariff wall in order to protect their own standards and the Australian Government wanted the United States within their tariff wall and were willing to let the Americans in if the arrangement can be made mutually satisfactory. Further, he pointed out, that Australia had a navy of its own and he thought the time had come when the American and Australian navies should unite to control the Pacific.

Taken in conjunction with this, is the fact that Premier Bruce has cancelled European engagements, including a visit to Rome to discuss immigration and other matters with Premier Mussolini, and is coming to the United States instead, to meet the government and business leaders.

* * *

THESE developments are creating much discussion in British and Canadian circles. Why, they ask, this sudden change of plan and these pronouncements by Sir Hugh Denison? Denison, like Bruce, has been a strong Imperialist, and his newspapers in Sydney and Melbourne have been leading advocates of the development of the Empire along economic lines.

As is well known, Premier Bruce had gone to the Imperial Conference strongly in the belief, as shown by his public utterances, that the big problem of the Conference was the economic one. He insisted that only by trade could the Empire be maintained and developed. He was greatly disappointed to find the Conference devoted its whole time to constitutional questions to the neglect of economics, and the question now is whether Premier Bruce has given up in disgust.

What effect will this have on the automobile, paper and other export trade which Canada has developed with Australia under the preferential treaty?

* * *

ONE would have thought that as immigration is one of Canada's most acute problems, and unemployment one of Britain's difficulties, that ways and means would have been found at the Imperial Conference to promote migration of citizens from Britain to Canada. H. T. Hunter, vice president of The Financial Post, shows in his article this week that little was accomplished to forward immigration to Canada. Little was accomplished for the chief reason that Canada was not represented at the conference by any minister in practical touch with the immigration problems. Just as the absence of Dunning and Malcolm from the conferences left Canada virtually unrepresented in trade discussions, the absence of the minister of immigration, Robert Forke, left only a department official, able enough but lacking in ministerial prestige to talk immigration with the British.

The more one studies the conference and its results, the more one is convinced that Canada's golden opportunity of advancing the solution of several of its chief economic problems came at the conference and was entirely overlooked.

* * *

ONE of the Washington correspondents send to his paper a new slant on the prohibition question that is interesting chiefly because it

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Brooks Salesmen Now Offering Only Lapsed Stock Units to Public

O. J. Brooks Says Mopping Up is Only Activity Now

$135 BLOCK WORTH $40

Common Stock Offered Public Not Property of Motor Company—Proceeds Swell the Coffers of Securities

All the stock in Brooks Steam Motors has been sold, Oland J. Brooks, president of the company, announces to The Financial Post.

The only activity of the sales forces of the Brooks Securities Co., according to Mr. Brooks, at the present time is the resale of a certain number of shares which have been repossessed by Brooks Securities because the original subscribers did not come through with the balance of their subscription money.

Mr. Brooks is Suave

Brooks Steam Motors and Brooks Securities together occupy the entire eighteenth floor of the Metropolitan Building, Toronto. The offices are spacious but not unduly sumptuous and there are from the windows magnificent views of Lake Ontario and Canada's second city. Mr. Brooks, a suave and keen man who was born in Maine, U.S.A., treated the representative of The Financial Post with courtesy and apparent frankness.

He said that auditors are now working in the books of the company and promised an exact picture of the financial affairs of the company within a short time.

Pending this promised review of the exact status of affairs, final judgment should be reserved. But as sales of the lapsed stock are being pressed in various communities it is advisable to consider if, in the light of the facts so far as they have been revealed, investment in this concern is advisable.

The history of Brooks Steam Motors as outlined by Mr. Brooks may be summarized briefly:

The company originally was incorporated in Ontario. Not quite three years ago, the Ontario charter was surrendered and a Dominion charter procured. This, among other things, permitted the issuance of common stock of no-par value. The shareholders in the old company, according to Mr. Brooks, entered the new company on the basis of share for share.

Plan Omnibus Business

About this time Mr. Brooks personally bought a farm-implement factory at Stratford, Ont., and later resold it to the company, he says, for the price he paid for it, about $50,000. Stratford, being eager for industries, was helpful. There the experimental work has been carried on for the hundred or so passenger cars produced. These cars are similar to the one successful steam car produced in the United States. A number of them are in use in Toronto as taxicabs and apparently are giving good service.

It is evident that the manufacturing ambitions of the company are inclined more to the production of omnibuses and commercial vehicles of other kinds than of passenger cars. The principal reason for this may be the fact that the passenger cars must be sold at prices above the average for pleasure vehicles. The delivered price of a passenger car in Toronto, for instance, is said to be $3,585, taxes and freight paid.

The company at Stratford has been spending about $225,000 annually in experimentation. By the end of the year the total will have been about $675,000, it is expected. But experiment in the future, says Mr. Brooks, will be conducted by Brooks Steam Motors Co. of New York. A factory has been acquired at Buffalo and operations are to commence early next year, it is said. The shareholders in the Canadian company will have no interest in the Buffalo offshoot, other than be relieved of the experiment expense for five years.

Future of Steam is Guess

The future of steam-propelled vehicles must be considered from a speculative, rather than an investment viewpoint. There are many uncertain quantities, including the quantity of fuel oil and the success of experiments with carburettors for the gasoline engine and the use of low-grade fuel for the steam cars and for vehicles propelled by internal-combustion engines.

Perhaps the most favorable factor from the viewpoint of those who believe in the future of steamers is that omnibuses recently have been developed which employ both the gasoline and the electric principles. The purpose of this type of vehicle is to eliminate gear-shifting, which becomes a clumsy and expensive manipulation on the larger and heavier vehicles. It is pointed out that steam cars eliminate this without the use of a generating plant or internal combustion engine. The only generating plant on the steam car is the small generator for lights and warning signal.

The foregoing two paragraphs are

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Goodyear Benefits from Rubber Chain

Goodyear Tire and Rubber earnings will be affected favorably, it is reported, by the introduction in the automobile accessory market of rubber-coated tire chains. This is an entirely new product which so far has proved popular with motorists and is an accessory which has several apparent advantages.

From the viewpoint of the manufacturer, the new product has two great advantages: First, a by-product heretofore almost entirely wasted is utilized; second, the demand for the product comes at the season when the demand for the other products of the company is lightest.

Steamers Gains from Saguenay District Growth

Canada Steamship Lines has closed a satisfactory year from the viewpoint of the earnings. It is anticipated that the total freight revenue will be in excess of the total for last year, while the passenger department has been well up to the 1925 mark.

The reason for the improved earnings, of course, is the improvement in general business conditions throughout Canada and particularly along the Great Lakes and the St. Lawrence river. The management of the company is progressive and it is apparent that no opportunity will be let slip. Development on the Saguenay river and the enormous increase in pulp and paper activity along the shores of the St. Lawrence river and gulf and its tributaries is a most encouraging situation for the company. Freight loadings have been larger than last year in this region and it is confidently asserted that the business is actually only in its infancy. While there is a railroad line to the new Saguenay development of the Aluminum company, the water route is the shorter as well as the cheaper.

Passenger business on the Great Lakes this year has been less than in 1925, principally because of the very poor tourist weather that prevailed throughout the season. The diminishment in this traffic on the Great Lakes, however, was offset by still greater business along the St. Lawrence and up the Saguenay. There is developing a steady business travel up the Saguenay, thanks to the power, pulp and industrial activity in that region. The Aluminum company now has one unit of it, 1,000,000 horsepower enterprise in operation. This unit supplies 100,000 horsepower.

CITY DAIRY BONUS TALK OF GOSSIPS, DIRECTORS OPPOSE

Yield on Stocks Less Than on Government Bonds

1926 YEAR HEALTHY

Usual Quarterly Dividend of 75c a Share Said to Satisfy Group in Control at Present

With City Dairy common selling at a price to yield only 3.57 per cent. income on the basis of $3 dividend per $25 share per annum, the stock exchange stands convicted of having made up its mind that soon or late there must be the splitting of a melon for the benefit of the shareholders.

City Dairy's fiscal year closes on December 31st. The report, which will be made public some time in early 1927, is expected to reveal a more healthful condition even than has prevailed for a unmber of years, though City Dairy has been piling up tidy surpluses year by year and at the same time writing down assets almost to bedrock stability.

The stock market apparently has no information to justify an inference either that a stock split is in the wind or that the dividend rate is about to be increased. As a matter of fact, those in close touch with the management say that nothing of the kind will take place. The company has been doing very nicely. But the directors are a conservative group and it is believed that they will require an extraordinarily good excuse before they will declare anything except the usual quarterly dividend of 75 cents the share. The attitude evidently is that this dividend is a very nice return on the par value of the stock and that it is someone's else tribulation if a stock exchange movement has thrust the shares to a price which brings the yield down to below the current income from a government bond.

Position is Very Sound

In support of the contention of the stock market that City Dairy soon or late must make additional splits of earnings are various sets of comparative figures which reveal a condition so sound that few other Canadian companies listing their securities can be compared with it.

City Dairy, of course, has had its troubles and the directors may recall the days when dividends had to be passed and are preparing now, in times when earnings are satisfactory, for changing conditions in the dairy business which may, in future years, make the passing of dividends necessary once more.

Dividends were resumed after the troublous war period in 1921, all the arrears on the preferred being paid on January 2nd, that year. Some figures slowing the situation of the company in 1921, when earnings sufficed to resume payments to shareholders, including the clearing up of

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Canada's Immigration Needs Received Scant Attention in London

Canada Under-populated, Britain Over-populated, Yet Immigration Department Took No Forward Proposals for Discussion at Conference

This is the fourth article in a series by Horace T. Hunter, who went to London with the Imperial Conference Party in order to get at first hand.. for readers of The Financial Post information which would assist them in formulating policies for their own business, and enable them to size up fairly the policy the Canadian government should pursue on Empire and International questions.

In addition to cabled despatches, articles have appeared in previous issues on Empire Marketing Board, The Constitutional Issues, Preferences, and Business Conditions in Great Britain. Further articles will appear in succeeding issues.

By **HORACE T. HUNTER,**
Vice-President, The Financial Post.

GREAT BRITAIN is over-populated. Canada is under-populated. Surely there is a solution to these problems which would benefit both countries. However, immigration did not loom up at the Imperial Conference as the big question which would overshadow all others. It is closely linked with Imperial trade and these two subjects, which one would have thought would have been uppermost in the minds of the delegates, were given scant attention. Immigration was left to a committee to work out some details on which there had been a difference of opinion between British and Canadian officials, but there was no big forward policy evolved which conditions in both countries seem to demand.

F. C. Blair, assistant deputy minister of immigration, represented the Canadian government. Mr. Blair is a fine type of Scotchman who would carry out firmly and courteously the policy of his chief. He had the advantage of being present at the previous conference in 1923. He knew the officials in Great Britain with whom he had to deal and had an accurate knowledge of just how the present basis is working, but he did not have the prestige that a minister of the crown would have carried and he did not go over with any new policy which would bring to us the larger number of immigrants of which the country stands in need.

Maintaining His Independence

All the delegates and their assistants, except Mr. Blair, accepted the hospitality of the British government and fared sumptuously at the Ritz Hotel. Mr. Blair, acting no doubt on the advice of his chief, paid his own expenses at the more modest Waldorf Hotel. He remembered the maxim "Beware of the Greeks when they come bringing gifts," and felt

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Chain of Terminal Warehouses Planned to Cover All Canada

Tax Land Sales Give Saskatoon Surplus

Saskatoon city treasury has been enriched this year to the extent of $159,660 from the purchase of vacant property held by the city. This property, reverting to the assessment lists, will swell the tax returns and increase the annual income of the city treasury. During the five year period 1920-5 total real estate sold by the city amounted to only $110,330—an average of $22,000 per year—so that this year's increase is more than 870 per cent. The city looks for a surplus of $60,000 this year as against a deficit of $4,798 last year.

SILK COMPANY'S EARNINGS WILL BE MAINTAINED

Belding-Corticelli in Past Year to be About 1925 Level

From Our Own Correspondent

MONTREAL.—The sales levels of Belding-Corticelli for the year just closed has been about the same as in 1926. It is anticipated that the annual report for the year ending November 30, which will appear within the next few weeks, will show that earnings have been maintained at the same high level as last year.

The company has been handicapped somewhat in its operations during the year through the decline in raw silk prices. These seem now to be stabilized, however, and the consensus of opinion is that the bottom of the market has been reached. It is not thought that prices will increase—should they do so, there would be a consequent benefit to the company's business. This applies both to rayon, in which there have been two price cuts this year, and also to real silk.

Is Expanding Production

The company is now installing further machinery in its hosiery department. Something over a year ago, Belding-Corticelli acquired the Hosiery Corporation of Canada and that company's equipment was moved to Belding-Corticelli's Montreal plant. The company had a successful year in this end of its operations, and the outlook at the present time is most favorable. Hence the installation of further hosiery machinery.

The foreign competition in woven silks is still severe. Most of this comes from Switzerland, France and Germany, where depreciated currency and cheaper labor helps to increase such competition.

Another department of the company, which at the moment is doing a brisk business, is the braid and elastic division. This part of the plant is running night and day. Changing styles, which have resulted in a greater demand for garments which require elastic, has brought this about.

The Rayon Tariff Hurts

The chief business of the company is in pure silks and silk threads for manufacturers. The only weaving that is done on any scale consists of ribbons. About a year ago, the government put a tariff on rayon yarns in order to protect the manufacturers of this commodity in Canada—but the tariff was not increased on the manufactured thread. Naturally, the company feels this lack of protection keenly.

It is understood that both gross and net earnings in the forthcoming balance sheet will be little changed from last year. Much thought has recently been given to increasing the company's business and the sales manager's department has been moved from Toronto to the head office in Montreal in order that this end of the business may be co-ordinated as much as possible with the efforts of the management. To this end also, W. P. McDougall, formerly the general sales manager was appointed assistant general manager.

Montreal Cottons Has Had Satisfactory Year

From Our Own Correspondent.

MONTREAL.—The Montreal Cottons concludes its fiscal year at the close of this month, and the outlook for earnings appears to be satisfactory, for the plant has been operating full time all year. In common with all other textile manufacturers, the company has been somewhat handicapped by the rapid change of the fashions. One of the present trends in the industry seems to be more frequent changes in style, and consequently this results in higher overhead charges for the manufacturer. The Montreal Cottons export trade with Australia has not come up to the expectations of a year ago when it was thought that the company might be able to increase materially its sales there.

Interests Behind Toronto and Montreal Ventures Enlarge Scope

ADD NEW STRUCTURES

Vancouver, Halifax and Winnipeg on List for Warehouses to Add to Chain

A chain of large, modern terminal warehouses from coast to coast is the plan of the Toronto group, which is now completing massive structures of this type in Toronto and Montreal.

Vancouver and Halifax will shortly be the scene of similar building operations, according to plans now practically completed, while arrangements are to be made in Winnipeg to tie that city into the warehousing and distribution chain.

It is not yet a year since Canadian Rail and Harbor Terminals commenced the erection in Toronto of a $7,000,000 combined dry storage and cold storage warehouse, one of the largest single unit warehouses in North America and this warehouse is now virtually completed. Business is already being handled.

Montreal and New Vancouver

Following commencement of building operations in Toronto, Montreal was attacked next and a $5,000,000 warehouse was put under way that is now rising rapidly.

Already negotiations are now practically completed for the erection of similar warehouses in Vancouver, where a cold storage plant will likely be built and an uptown dry storage warehouse, either purchased or built. The Vancouver project is assured, The Financial Post is authoritatively informed. Negotiations concerning the financing of the project are now active.

Halifax is on the list for a cold storage warehouse which, it is believed, will be factors in promoting the apple and fish industries, in particular, and Nova Scotia trade in general, at that port.

What steps will be taken to link Winnipeg with the chain is a less definite matter, but that Winnipeg will be in, is practically certain. A new warehouse may not be built in Winnipeg, if satisfactory arrangements can be made to tie in existing accommodation.

Form National Terminal Company

Plans include the formation of a large holding and operating company. Holders of securities in Canadian Rail and Harbor Terminals, Toronto, and Montreal Rail and Water Terminals, Montreal, will be given the option of coverting their securities into securities of the national company, while those who hold control of these two warehouses will turn over control to the one big company.

This larger company, shortly to be incorporated, will not only control the individual warehouse companies but will act as a management organization. In this way, it is hoped to obtain control of a large share of the distribution of merchandise and agricultural produce in Canada, enabling immense economies to be effected in transportation and handling costs, between producer and consumer in Canada or abroad.

The individual most active in the promotion of the national terminal organization is Thomas A. Neely, Toronto financier, who successfully financed the Montreal and Toronto warehouses and whose investment house, Municipal Bankers Corporation, underwrote the securities, later marketing them through New York, Philadelphia and Boston investment banking houses.

Show Services of Warehouse

The Toronto terminal warehouse

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

American Influence on Canadian Business Declining
Foreign Trade Continues to Expand
Shortening of Navigation Season Slows Up Grain Exports
Boot and Shoe Production Sets New Record
Market for Dairy Products Shows Strength

A RECENT survey of the Nation's Business, the official organ of the American Chambers of Commerce, as to the trend of trade and industry in that country in the opening six months of 1927, is of more than usual interest at this time. Business and financial leaders throughout the country were interviewed and a concensus of opinion is that the first half of the coming year will witness some shading off from the peak operations that have obtained in almost all lines in 1926.

Events of past years have shown the trend of business in Canada to closely approximate that prevailing in the United States at the time, but it is a matter of conjecture if Canadian business will continue to be unduly influenced by conditions in the United States. There are numerous signs to indicate that such will not be the case. The trend of stock market prices on the Montreal and Toronto exchanges is an example of the growing independence of foreign influences. Canadians have always been heavy investors in stocks traded in on the New York market but in the past year they have been able to take care of a greater percentage of their own financing, while domestic stocks are creating more interest than those across the line. Moreover, values have shown a tendency not to be greatly affected by adverse news from New York and are now more closely indicative of the true status of domestic conditions.

During the past summer, construction in the United States slowed up considerably, while in Canada it advanced to a new high mark. Similarly mining has made remarkable strides, both in metallics and non-metallics, which cannot be credited to outside sources. Many other examples could be quoted, but the above indices have been picked at random to show that any retrogression of business in the States does not necessarily mean that similar conditions will prevail in Canada.

Volume of Trade Greater

Trade returns for the year ended October show that our foreign relations are continuing on a satisfactory basis. Our exports to the United Kingdom totalled $472,505,110, as compared with $458,415,621 in the previous twelve months period, while imports amounted to $163,043,170, as against $159,531,163. It is possible that the increased value of our shipments to the United Kingdom may be misconstrued, owing to the fact that these figures take into consideration trade done during the last two months of 1925. An analysis of the report shows that our exports fell off very heavily with the commencement of the British coal strike. However, an encouraging future of the situation is seen in October exports, which were nearly double in value those of the previous month. This is a promising indication of what may be expected by Canadian exporters during the coming months.

Our exports to the United States during this period approximate those to the United Kingdom, there being only $443,506 difference in value. As compared with the previous year, American purchases of Canadian products show an increase of about $25,000,000. On the other hand, we bought from the United States nearly $100,000,000 worth of goods more than in the year ended October, 1925, the figures being $659,337,580 and $563,032,135, respectively. This increase is due principally to heavier importations of metals, especially iron and motor vehicles.

Footwear Output Higher

One of the best indications of the increase or decrease in the buying power of the public is that of boot and shoe production. Production in Canada for the month of October, based on the returns of 167 factories out of a total of 170 in operation during the month, amounted to 1,744,768, while the cumulative output for the first ten months of the year totalled 15,420,984 pairs. This falls short of the total production for the year 1925 by only 1,130,815 pairs. The average monthly production for the 10 months—January to October, 1926,—was 1,542,098 pairs, compared with 1,279,316 pairs for the year 1925.

Car Loadings Steady

Car loadings for the week ended November 27th showed a seasonal decline from the previous week's loadings of 2,643 cars and in the more significant comparison with the same week a year ago a decrease of only 337 cars. Eastern Canada continues to show a substantial increase in loadings but this is offset by a decrease in the western provinces. Were it not for the backward movement of grain, there is no doubt but that loadings would show a marked increase, as coal, lumber, ore and merchandise loadings were greater than in the same week of 1925. Cumulative totals to date are more encouraging in that they show an increase approximately 260,000 cars over the corresponding period of 1925. With one exception—livestock—all commodities recorded substantial increases.

The movement of Western grain overseas, delayed by the late harvest, is again hindered by recent storms and freeze-up on the Great Lakes. For a short time shipments from the head of the lakes were about normal, but this latest setback will result in above-average holdings in elevators over the winter. If the demand warrants, and there is such a possibility, there may be a heavy movement of grain by rail to St. John and Portland between the end of December and the opening of navigation next spring. In such an event, the revenues of the Canadian Pacific and Canadian National Railways will be further suplemented.

Orient Offers Market for Wheat

Much attention is being paid to marketing our wheat in the Orient. The movement through Vancouver has varied during the past two years, but there is no doubt that in time this port will act as an outlet for a fairly large percentage of Western grain. C. O. Julian, of the Vancouver Harbor Board, just back from a nine months' sojourn in the Orient, says: "The mills in Shanghai have learned the value of Canadian hard wheat and shipments next year will surpass all former records by a wide margin." One of the past difficulties in developing a market for wheat in that market was in proving the value of hard wheat. The Chinese millers were accustomed to grinding soft wheat which they got from the United States. This worked to the disadvantage of the Canadian product. However, the hard wheat has been gaining in favor and the Orient will in time, come to depend more and more upon Canada for its supplies.

Better Demand for Dairy Products

Export trade in dairy products is picking up and the situation at present is more favorable than it has been for some time. Owing to the coal strike settlement and the New Zealand Control Board fixing the price for their make, a marked improvement developed in the demand from English importers for Canadian cheese during the past week and a considerable amount of business was done at advanced prices. Butter is also showing strength as a result of the decrease in stocks on hand during the month of November. Further improvement in this situation is anticipated. This should prove beneficial to the farmers in Quebec and Ontario, where dairying accounts for most of their income.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loadings, week Nov. 27	76,127	76,464— 0.4%
Year to date	2,955,6555	2,692,760+ 9%
Merchandise shipped, year to date	775,083	723,075+ 7%
Building permits—October (63 cities)	14,614,543	11,312,644+ 29%
Construction contracts awarded, November	34,972,800	46,972,800— 26%
Railway Earnings—Ten Months—		
C.P.R. gross	158,709,494	144,243,276+ 10%
CP.R. net	36,579,221	29,079,949+ 26%
C.N.R. gross.	217,047,034	196,444,081+ 10%
C.N.R. net	34,060,792	20,485,721+ 66%
Pig Iron Output—tons, October	70,124	74,013— 5%
Steel Ingot production, October tonnage	65,542	108,868
9 months to October 31	664,084	617,137+ 8%
Employment—November index	102.8	97.1
Newsprint production—October tonnage	168,860	137,506+ 22%
Automobiles produced—(10 months to October 31)	187,536	142,567+ 31%
Immigration, 9 months, to September 30	112,835	67,878+ 67%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538
Liabilities, 9 months	19,191,301	26,550,375— 27%
Imports of key commodities, 12 mos. ending October 31—		
Rubber (raw, in pounds)	46,679,016	41,660,915+ 12%
Cotton (in pounds)	137,179,586	116,429,306+ 17%
Crude petroleum (in gallons)	661,854,268	501,159,235+ 32%
Exports of key commodities (12 mos. end. Oct. 31—		
Canned salmon, cwt.	612,053	746,970— 18%
Newsprint, cwt.	33,629,489	27,097,078+ 24%
Wheat flour, bbls.	10,562,843	9,779,782+ 7%
Wheat, bushels	253,138,477	187,325,992+ 38%
Grain receipts, Aug. 1 to Nov. 26	184,281,719	197,789,267— 6%
Bank clearings, November	1,732,877,285	1,666,827,443+ 4%
Savings deposits, Sept. (chartered banks)	1,335,895,766	1,268,554,097+ 5%
Current loans, Sept. (chartered banks)	959,889,525	903,717,736+ 6%
Exports, 12 months to October 31	1,293,639,169	1,198,546,339+ 8%
Imports, 12 months to October 31	991,114,109	865,165,383+ 14%
Balance of trade, 12 months to October 31	302,525,060	333,381,006— 9%
Price level, October index, 236 commodities	151.1	156.0
Pig iron (Number 1 foundry) Nov.	25.80	Nov. Aver.) 26.85
Cattle—Good, Toronto, Dec. 16	6.90	Dec. (Aver.) $7.62
Wheat, No. 1, Nor. Winnipeg, Dec. 6	1.32	Dec. (Aver.) $1.57
Hogs—Select, Toronto, Dec. 6	10.75	Dec. (Aver.) $13.25
Bond sales, 11 mos. to Nov. 30	543,241,995	443,577,564+ 22%

785 Chain Food Stores, Toronto

Rise of the chain store movement in Canada, is demonstrated most specifically by the large number of chain retail outlets in Toronto.

Toronto has 785 retail stores selling food and linked as chains.

They are:

Chains Operating Own Warehouse	Stores
Dominion Stores	80
Loblaw's	22
Arnold Brothers	14
Chains Buying from Wholesalers	
Elmes Groceterias	10
Noad's	6
Chains Run as in Buying Groups and Houses They Buy From	
Adanac Stores (James Lumber's Wholesale).	150
Superior Stores (York Trading Company).	210
Service Stores (National Grocers).	114
Leader Stores (Medland Brothers Wholesale).	89
Red & White Stores (John Sloan Wholesale).	30
Supreme Stores (National Grocers).	60

In addition Toronto has chain bakeries, chain furniture stores, chain clothing stores, chain hardware stores, chain tobacco stores, chain restaurants, chain shoe stores, chain dry good stores, chain tire stores and chain drug stores.

MANY NEW FACTORY PRODUCTS EXPORTED

Exports of Manufacturers Now Well Over Half Total Outgoing Trade

There is one aspect of the export trade of Canada to which attention is frequently directed and which finds expression in the statement that, as it is largely made up of raw materials, some of which cannot be replaced in the lifetime of the present generation, the future of the country is seriously jeopardized: that our birthright in natural resources is being sold in exchange for a favorable trade balance at the present time.

There is no question as to the desirability of an intensified manufacture in Canada which will work up our raw material into semi-finished or finished products, but it may be pointed out that, although the Dominion is exporting a large volume of primary products, the increase in the quantities of domestic raw material used in Canadian industry in recent years has been much more appreciable than the increase in the exports of these same products.

Manufactured goods, which not so long ago were imported into Canada in large volume, are now not only being made in Canada in sufficient quantity to meet domestic requirements, but are also being exported to no small extent. In 1914 the percentage of raw materials exported to total exports was 63.2 per cent.; in 1925 the percentage was 44.7 per cent. In 1914 the proportion of fully manufactured goods exported to total exports was 26.7 per cent.; in 1925 it was 40.2 per cent. As between the United States and Canada and in favor of the republic, the difference in the percentage of manufactured goods exported to total foreign sales is 7 per cent.

A survey has just been made of the practical results of the work of the Trade Commissioners of Canada, 24 in number, for the past few months. The bare enumeration of the manufactured products which, through the medium of the Commercial Intelligence Service, have been introduced into foreign countries within that very recent period, is illuminating. These include — canned meats, cheese, chocolate, bacon, biscuits, flour, honey, powdered milk, apple juice, sardines, lobster, fish meal and oil, sulphate of ammonia, ladies' underwear, hats, leather, lumber, plywood, doors, wooden handles, furniture, auto accessories, spark plugs, valves, machine tools, footwear, wallpaper, glass bottles, textile needles, lanterns, electric ranges, meat slicers, refrigerators, electrical goods, rails, dolls, spiral rubber packing. Each of these commodities, it should be stated, represents an initial contact for some Canadian firm in an area to which export trade in the particular product had not previously been undertaken. All of the goods listed are manufactured products; and it is noteworthy that as time goes on the tendency is to develop at an accelerated ratio the export of fabricated wares accompanying the greater production of these same commodities in Canada.

MONTREAL EXCHANGE STOCKS OVER BILLION

Next to New York Stock Exchange, Montreal Stock Exchange is the leading exchange of the continent in the order the Magazine of Wall Street ranks them. It says:

"The Montreal Stock Exchange proudly claims pride of place after that of New York. Securities listed are either Canadian, or under Canadian auspices. As such it is a primary market for securities of the entire Dominion. There are other exchanges in Canada, such as those at Toronto and Winnipeg, but Montreal definitely outranks them.

"The Montreal Stock Exchange was founded in 1874. It is restricted to 85 members, and has about 72. Members must be British subjects. Character requirements are rigorous and black-balling quite easy, thus assuring continuity of tradition. Members must prove solvency every six months. Certificates of solvency can only be issued by chartered accountants.

"Listing committees are known for their careful work—for example, complete details as to every consideration in mergers must be revealed before new shares are listed. Listed companies must file financial statements annually. Dividend and meeting notice requirements are similar to those of the New York Stock Exchange. Transfer, registration and engraving requirements are also similar. A daily transactions list is published.

"The unit of trading is 25 shares, as against 10 in London and 100 in New York (except for inactive securities). Bond unit is $1,000. Commission rates are: 6¼ cents per share where stock is quoted at $5 or less; 12½ cents on those over $5 but less than $10, and 30 cents on all others, with 30 cents for each $100. This does not hold for mining stocks.

"Apart from Canadian Pacific, whose primary market is in New York, listed stocks alone on the Montreal Board surpass one billion in par values. Additionally, bank stocks have a market value of about 250 millions. The bond market, apart from Dominion bonds, is as yet young. Still, about a quarter of a billion is listed. Obviously, a market that represents all of the important securities of Canada, and many of its promotions abroad must receive attention from the critical investor."

All Must Combine To Fight Forest Fires

From Our Own Correspondent

MONTREAL.—In the current issue of "Investments" the investment house of Nesbitt, Thomson & Co., indicates that the broad outlook for the future of the pulp and paper industry is sound, but at the same time sounds a note of warning regarding the forest situation. "Investments" says in part:

"Canada has built up great industries dependent upon the local supply of soft wood and the average Canadian citizen is content to sit back in the complacent belief that our forest resources contain almost inexhaustible supplies. The Forestry Sub-Committee of the Imperial Conference states that only twenty-five years' supply of timber remain in the United States and that Canada has only 27 per cent. of her virgin forest standing.

"If Canadian forest industries are important now, they will attain much greater importance when the resources of the United States are approaching exhaustion if Canada's own supply can be maintained.

"It is well known that in Canada more timber is annually destroyed by forest fire than is utilized for manufacture and it is to this side of the situation that every Canadian should give very serious attention. The provincial governments have taken up some of the burden of forest fire fighting and prevention, but much more will have to be done and no real good can be accomplished without the aid of even the most uninterested inhabitant of the Dominion. Capable handling of the problem of forest fire, an active policy of reforestation, and judicious exporting of the product will do much to assure the future of Canada's forest industry."

Clarke's Work in Trade Receives Commendation

In announcing the resignation of W. McL. Clarke from the post of director of the Commercial Intelligence Service, F. C. T. O'Hara, deputy minister of trade and commerce, paid him the following tribute: "Mr. Clarke entered the service of the department in 1915, and after being trained in the department, was in 1917 promoted to the position of Trade Commissioner in Milan. During his period of office in Italy he did valuable service for the government and the exporters of Canada, not only in contributing many valuable reports to the Commercial Intelligence Journal indicating opportunities for Canadian trade, particularly in those countries bordering on the Mediterranean, but in various commercial missions of importance in that part of the world and in the conduct of special tariff negotiations in Greece, as well as in assisting in the arrangement of a commercial agreement with Spain.

"In 1925 he was promoted to the directorship of the Commercial Intelligence Service, from which he is now retiring to assume the position of chief executive officer of the Canadian Board of Trade. He leaves at the beginning of the coming year to occupy his new post, with the best wishes of the department."

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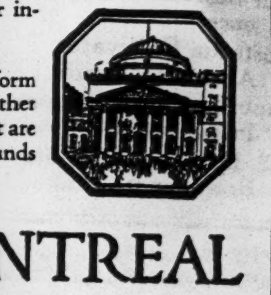

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Ontario Election Means Quebec-Hydro Partnership Assured

Understood That Ontario Hydro-Electric Commission Will Become Partners With Corporate Interests of Quebec in Carillon Power Project

From Our Own Correspondent.

MONTREAL.—While the re-election of premier Ferguson in the province of Ontario was joyful news to the "wets" and a dismal blow at the hopes of the "drys", perhaps it has not yet come home to both schools of thought that liquids other than beer and wine were involved in the struggle in that province. The other liquids are, of course, the waters which generate electric power in both provinces.

The election in Ontario means in one sense the dawn of a new era as far as the electrical generation of power is concerned, for in future the electric projects of "the peepul" in Ontario will be carried out hand in glove with the so-called "St. James Street gang;"—in other words, the large power interests in the province of Quebec; a situation which perhaps may cause the late Sir Adam Beck to turn in his grave, but which nevertheless will undoubtedly be welcomed by all thoughtful people—if not the "peepul"—in both provinces.

Hydro Partner In Project

The election means that the Ontario Hydro Electric Commission, Shawinigan Water and Power, and Montreal "Power" will probably jointly develop the Carillon power site on the Ottawa river. In other words the ownership of the National Hydro Electric Company, which is to develop this site, will be vested in these three organizations. Such an amalgamation of corporate and public interests should sound the death knell of much of the hyperbolic public ownership propaganda which has been circulated in the past.

This is due to the fact that just previous to the election, the Ontario Government reached a perfect accord with the province of Quebec regarding the development of joint power sites. To begin with, the development of the Carillon site on the Ottawa river had been arranged by both parties to the deal.

Had Ferguson not been returned to power, it would have meant another long series of negotiations which in the end might not have achieved the same result—a result which means perfect accord and understanding between the public projects in Ontario and the corporate power interests in Quebec.

May Be Few Kicks

Undoubtedly old "vox populi," will burst forth in what it considers righteous indignation against what will surely be termed such an "unholy alliance." Yet such an alliance will undoubtedly be welcomed by the vast majority, whether or not they approve of the principles of public ownership. Nothing but good can result from a proper understanding and co-operation between three largest producers and retailers of power in the Dominion.

The Quebec power interests working in harmony with the Hydro means that first of all, of course, there will be no unsound and ruinous competition between both interests which would ultimately be reflected in increased rates to the consumer. Power sites situated on joint or interprovincial waterways will only be developed in the proper way and not until the demand for more power warrants such developments.

Such co-operation also means that the best interests of the consumer in both provinces will be well safeguarded in many ways, not the least of which will be the bettered results obtainable through the interchange of power at peak periods and the interchange of ideas tending towards improved operating methods. There will also not be the urge to reduce rates to levels which must ultimately work out to the disadvantage of the consumer.

The first step in the improved relations between the power interests in both provinces lies in the development of the Carillon site which is located on the Ottawa river at the point where the Ontario border runs up from the St. Lawrence and joins the Ottawa. Hence, Ontario's interest in the project.

No definite plans for development have been laid as yet, but it is thought here that the common shares in the project will be all owned by the Hydro, Shawinigan, and Montreal "Power." Other senior securities will be sold to the public to pay for most of the cost of construction. When completed the company, now known as the National Hydro Electric Co., will enter into power contracts with its three owners.

Will Be 300,000 h.p. Project

The amount of power which the Carillon site will develop depends solely on the height of the dam which will be erected at that point. This, of course, has not yet been decided, but it is anticipated that Carillon will produce some 300,000 horsepower on a 70 per cent. load factor basis. In other words, it will be possible to erect the dam to a height which will provide a head of water sufficient to produce 300,000 h.p. during 70 per cent. of the day—or month, or year, for that matter. When the turbines are not generating at capacity, it will be possible to store the water in the dam for future use. It seems to be a fair assumption that the three owners of the property—Montreal "Power," Shawinigan and the Hydro—will each obtain 100,000 h.p. from the site.

Was International Interested?

There is one rather interesting bit of gossip going the rounds regarding the recent change in ownership of the site. It will be recalled that until recent months the Carillon power site was owned by the E. A. Robert interests who formerly were not on the best of terms with the large power interests in the province of Quebec.

It is said that the management of the International Paper Company eventually intended to negotiate with the Robert interests with a view to acquiring the property, but that such negotiations were delayed as the International Paper management felt that the Robert interests would never deal with Shawinigan.

Lease Has Been Renewed

In the meantime, the Federal Government has granted a renewal to May 1 next to the lease of the Carillon Falls site to the National Hydro Electric Company.

The former lease to the company expired on December 1 and the renewal is for a period of five months. Thus, it is anticipated that with the renewal of this lease, and with the rapport which now exists between both provinces, work on the project will commence almost immediately.

INCOME TAX PROBLEMS

Taxing the Globe-Trotter

By an Income Tax Expert

PROBLEM NO. 2.

All those persons possessed of ample means, and having the ordinary ties of birth, family and affairs within Canada, who prefer to enjoy those means without undertaking the domestic responsibilities of a home but move about from country to country,—are they within the purview of The Income War Tax Act and liable to tax?

They may or may not have been within Canada for an interval of more than a year.

Consider, for purposes of analogy, the tramp who, like a Will-o-the-Wisp, fancy free, wanders from country to town, town to city, throughout the length and breadth of Canada, homeless, stopping now here, now there, but surely always residing in Canada. He resides although he has no home no fixed place of residence, no relations, no family or friends, no business ties and none of the ordinary circumstances which create a link between the life of a Canadian and Canada.

He Is Called Resident

The person of means is no less a tramp than the roadside Will-o-the-Wisp; he too wanders, but throughout the world, with this distinction, however, that his family relations, friends and business ties create a link with and within Canada that mere aimless wanderings cannot undo. He is a Canadian with permanent address in Canada, with personal belongings and furniture, not required when abroad, stored in Canada. Usually for some two or three months each year such person returns to Canada, although a year may elapse without such return being made.

To reside does not mean to have a place of residence or necessitate actual presence within the country. "Residing or ordinarily resident" have recently been referred to in an Income Tax case as rather "the quality of a person's mode of life". Such a prosperous Canadian tramp is quite properly and legally regarded as resident in Canada and is accordingly subject to the provisions of The Income War Tax Act.

Then again there are those very similar persons who for reasons of health or pleasure, or both go abroad for the larger portion of each year, closing their houses, storing their furniture or otherwise making provision for their affairs during their absence, and who may actually take up residence in the United States, Bermuda or some other country of fancy, returning to Canada for probably the summer season only. Such persons nevertheless continue to be liable to Canadian Income Tax as persons resident or ordinarily resident within Canada.

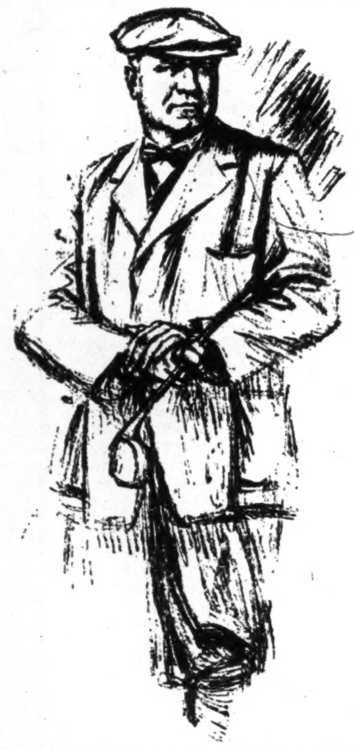
Those Not Taxed

There are persons of means, however, who definitely leave Canada sever all connections except absolute business ties in the nature of fixed investments, sell their homes, furniture and belongings or remove the latter from the country, usually giving evidence of their intention by taking up permanent residence abroad. Such persons are not within the purview of the Act and are not subject to tax in respect of the revenue received from the remaining investments in Canada, such as interest or dividends.

Tamer of White Elephants, Title Given Thornton

"Tamer of white elephants," is the phrase used by Frederick Edwards to describe Sir Henry Thornton. Mr. Edwards writes about the chairman of the Canadian National Railways in the New York Herald Tribune.

When he took over the Great Eastern Railway, it was in a mess. It was a white elephant. So was the C. N. R. when he took it over. "If the C.N.R. wasn't a white elephant, P. T. Barnum was a letter carrier," says Edwards, who tells that it was Thornton's boyhood ambition to be a bishop.



"I think his outstanding characteristic is his loathing of liars. This tradition adheres among the associates of his early railroading days on the Pennsylvania and the Long Island Railroads Research repeatedly reveals the warning:

"Don't lie to him."

"He preaches service all the time from one end of the road to the other. The railroad is his lift. He reads few books, except railroad books, is polite about music but not keen. He is amazingly fit for his years and the strenuous life he leads. When he isn't railroading he plays handball, tennis and golf.

"His complexion is pink and his eyes are gray. He is meticulous about clothes, looks always as though he had just stepped from an exclusive tailor shop, goes in for carnations in the left lapel of his coat and was one of the first men in North America to wear striped collars to match his shirts.

"An easy man to like and a sound man to trust. The politicians would have broken a littler man than Thornton by now; but small minds, lacking understanding of the man's sincerity, are still afraid of his achievements."

EXPECT BESCO PLANT GO TO DOUBLE SHIFTS

Two Shifts Forecast For January 1st—Accumulate 200,000 Tons of Coal

From Our Own Correspondent.

SYDNEY.—Prospects for the Sydney steel industry continue to brighten and coal is holding its own.

It is reported that the Sydney steel mills will go on double shift about January 1 for the first time in several years.

With the dumping of 5,000 tons of coal at New Aberdeen and 1,000 at the Sydney trestles winter banking operations have begun in earnest. It is planned to accumulate 200,000 tons at each place.

The new colliery No. 23 near Dominion, is being developed rapidly, and a small bankhead with a capacity of 500 tons a day has been built to handle the coal that comes up during the preliminary operations. Everything is now in place except the engine and screens.

The shaft has been put down in such a way that development work can be carried on without interruption until the main coal haulage shaft is complete.

The steamer City of Victoria sailed from Sydney this week with a cargo of steel rails for Vancouver.

Canada Trust Adds To Governing Board

S. F. Washington, K.C., senior member of the law firm of Washington, Martin & Bowlby, Hamilton, has been elected a member of the main governing board of The Canada Trust Co.

The following prominent men in Victoria, B. C., have been selected as local advisory board for that branch: Sir Frank Barnard, Joseph Wilson and George A. Kirk.

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By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, November 17th, 1926.

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TORONTO 2

Securities Markets

PRE-CHRISTMAS SLUMP IN STOCKS NOT IN EVIDENCE

Remarkable Advances Are Shown in Stocks Since October First

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Dec. 8	97.3	94.4
Week of Dec. 1	96.5	93.5
Month of Dec. 1925	80.8	73.3
9 Bank Stocks		
Week of Dec. 8	$227	$225
Week of Dec. 1	226	224
Month of Dec. 1925	223	222
10 Public Utilities		
Week of Dec. 8	100	99
Week of Dec. 1	100	99
Month of Dec., 1925	94	90

While a pre-Christmas slump appears to affect the mining exchanges, particularly in the penny stocks, the Montreal and Toronto stock exchange continue active and bullish despite occasional evidences of underlying weakness in the New York market. It is becoming more and more apparent that the Canadian markets are gradually becoming less reflective of conditions on Wall Street. At least, this is true at present, but its truth may be in direct ratio to the optimism as to the immediate economic future of Canada. Basically it is believed in some quarters that Canadian prosperity is relatively and potentially more substantial than is likely to prevail across the border.

At any rate, while the bears in Wall Street are becoming bolder in their predictions of their kind of market, and with the melon-splitting season approaching (it is already started with the stock bonus of 50 per cent. for Woolworth) and intrinsic values of securities affected thereby, it would not be surprising if the bears made a concentrated and sustained and in some degree successful attack on a wide range of securities on the New York market. But it is by no means certain that the Canadian market will be affected materially thereby. Bearish sentiment is not nearly so prevalent on this side. Even the big snowstorm was construed favorably by the bulls. General retail trade became seasonally busy at once, and the footwear merchants were harassed with customers clamoring for better protection from the rigorous Canadian weather.

Advances Fairly Moderate

On both the Toronto and Montreal exchanges in the last week, the principal interest has centered in the distillery stocks, with the brewers running second. The reason for this, of course, was the popular vote. December 1st for government control of liquor in Ontario. Canadian Industrial Alcohol has vied with Gooderham & Worts in leading this section of the market. There have been rumors of a deal whereby Industrial Alcohol would acquire the Hiram Walker distillery on the Essex border, but as day after day has passed without a definite announcement, it is beginning to be assumed that the deal has struck a snag. The strength of G. & W. since the Conservative victory has been based on reports of substantial, almost fabulous, earnings of the property under the new management.

Other Stocks Active

Brompton and Laurentide were two of the pulp and paper issues which have been active and strong. Canadian Canners also has been strong from the Montreal end on the opinion of responsible persons that its earnings have been extraordinarily good and its prospects for steady income excellent. Atlantic sugar is another stock which has been advancing. There is much interest, also, in Dominion Bridge and Steel of Canada, partly on rumors that there would be an extra dividend on Steel and partly on the report that Dominion Bridge was to be absorbed by Steel of Canada. Events so far have failed to confirm these rumors in any particulars. Steel of Canada have declared the regular dividend only, and there is nothing to indicate that a merger with Dominion Bridge is contemplated, even if it has been suggested in official quarters.

Yet despite the interest in these, the price advances since October 1st have not been sensationally rapid. Industrial Alcohol was 24⅛ on October 1st and 31¾ on December 8th. In the same period G. & W. is up from 33½ to 38⅞. Seagram's, listed first on November 14th, and selling at the initial price of 15, had advanced only to 16⅞ by December 8th. Brewers and Distillers, listed October 14th at 4¾, has remained stationery. Cosgrave Brewery, which first appeared on October 25th, is up to 7¼ from 6⅝. National Brewing is actually down from 69¼ October 1st to 68 on December 8th.

A listed stock which has been advancing quietly in recent weeks, but which has attracted no attention from the public is King Edward Hotel. This sold at 30 on October 1st, and was quoted at 37½ on December 8th.

The trend of prices on the Montreal and Toronto exchange is shown graphically by the table of the Dominion bureau of statistics. Taking the prices of 25 utilities and industrials on January 1, 1925, at 100, it is found that there has been a steady advance until now these same stocks are commanding better than 225. The money value of these stocks in the week ending December 4th was 184.3, compared to 100 on January 1, 1925. The volume of shares sold is about 80 per cent. of the total of 23 months ago. The least active week in this period was the second week of November, this year, when trading was down to 38.2 per cent. of the total for January, 1925. This slump doubtless was due in part to the fact that the Canadian Thanksgiving made it a short week. It was otherwise an uninteresting market in several of its features.

Week's Gains and Losses

	Gains	Losses	Unch.	Total
Banks	3	3	3	9
Paper	5	8	2	15
Steel	4	11	19	34
Foodstuffs	17	4	19	40
Utilities	7	8	13	28
Tractions	4	2	8	14
Textiles	5	7	4	16
Industrials	17	10	25	52
Total	62	53	93	208

East Kootenay Power Output Increasing

From Our Own Correspondent

MONTREAL.—In an address before the Lethbridge branch of the Engineering Institute of Canada, A. B. Sanborn, general manager of the East Kootenay Power Company, made one or two points which are of interest to the shareholders. He stated:

"The East Kootenay Power Co., started business in 1922 with four million K.W.H. In 1923 sixteen million were sold; in 1924, thirty-three million; in 1925, forty-six million and in 1926, sixty million, and to keep pace with the demand an auxiliary steam plant is now being erected to bring the output up to ninety million K.W.H."

The East Kootenay's new steam plant now under construction at the east end of Crow's Next Lake will be a 10,000 kilowatt capacity plant, but for the present only 5,000 will be used. Powdered coal will be burned as this type of fuel can be handled as easily and nearly as cheaply as oil. "No stone will be left unturned, and no dollars will be left unspent to produce power as cheaply as possible with a plant of the size of ours," said Mr. Sanborn and pointed out also that the service rendered by his company was designed to be nearly 'foolproof" as possible, and to this end the company has doubled its transmission lines throughout, giving them a present mileage of 225.

Canadian Woollens May Make Better Progress

From Our Own Correspondent.

MONTREAL.—The Canadian Woollens has experienced a somewhat better demand for its output this year than during the first six months of the current calendar year. The company's fiscal year ends June 30. Woollen prices have been low, but they have been stable. Although for a number of years the company has been unable to make any satisfactory earnings due to foreign competition, yet the promise is that there will be at least some progress made during the current fiscal year.

New Board for Seagram

The personnel of a new board of directors for Seagrams, Ltd., has been determined upon, but it has been decided to postpone the announcement until next Monday. This is in deference to the wishes of the general manager, Alexander McHattie, who will be in the city at the beginning of the coming week.

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

Textiles

BRANTFORD ROPE PROFITS ARE CUT BY IMPORTATIONS

Twine Producer Suffers From Severe Foreign Competition

HOLLAND'S INROADS

Germany too, Gets into Business, While Several Customers Quit Dealing With.. Canadian Firms

Profits of the Brantford Cordage Co. for the year ended last August 31st, were only slightly more than half the profits for the year ended August 31, 1925. The two figures are $627,190 and $315,128. Dividends on the first preferred at the rate of 2 per cent. a quarter have been paid regularly since July 15, 1925. This new Dominion charter prevents payment of dividends on the 7 per cent. second preferred or upon the common until the tangible assets of the company are in excess of $3,000,000 or when the net liquid assets of the company do not exceed $1,500,000 after the payment of such dividends.

The reason for the halving of the profits of the Brantford Cordage Co. is to be found in the trade statistics showing the exports and imports of binder twine. The Brantford company long has been one of the manufacturers of standard bindertwine. It has held a fair share of the domestic business in binder twine in the face of competition and unaided by any tariff barrier. But in the last year it has found difficulty in meeting the competition from Holland and Germany and has seen certain of its own foreign markets shut off by tariff walls.

Rise In Imports

On the import side, the government figures show these imports from the Netherlands:

1924	54,268 pounds
1925	820,718 pounds
1926	8,382,450 pounds

Other countries, which would include Germany, the competitor mentioned by C. L. Messecar, president of Brantford Cordage, shipped 120 pounds of binder twine to Canada in 1925 and 56,411 pounds in the fiscal year 1926.

In the same years, imports from the United States and Great Britain have been dropping.

Drop In Exports

The export side of the picture is even less favorable, the foreign business of the Canadian producers taking a bad slump last year, after reaching a peak in the fiscal year ended March 31, 1925. The figures for the last three years are:

1924	$1,446,453
1925	$1,562,942
1926	$1,192,058

A number of countries which imported Canadian binder twine in sizable quantities in former years are no longer in the market for this product, having invoked the aid of protective tariffs to build up domestic production. Among the countries, grain-growing countries, which no longer buy this material from us are:

Argentina, Australia, Belgium, Denmark, Uruguay, Norway. Rumania, it is reported, is buying less than formerly.

Following is the comparative profit-and-loss accounts for the Brantford Cordage Co. for the two fiscal years ended August 31st. The report was made known to stockholders at the annual meeting last week.

PROFIT AND LOSS

	1926	1925
Profits	$315,128	$627,190
Dividends	159,005	40,000
Doubtful accounts	4,437	....
Sinking fund	1,420	....
Sundry expenses	350	....
	$149,916	$587,190
Prev. balance	779,015	191,825
	$928,931	$779,015

The first preferred shares outstanding have been reduced during the year by $54,650, being the full two per cent. required up to October, 1926.

Capitalization of the Brantford Cordage Co. is 100,000 shares of common of no par value of which 80,000 have been issued, $2,500,000 shares of 8 per cent. first preferred, of which $2,000,000 have been issued, (less amount bought in) on which dividends are being paid, and $850,000 worth of second preferred.

Canadian Cottons Earns About as Much as in 1925

From Our Own Correspondent.

MONTREAL.—The Canadian Cottons has just completed about two-thirds of its current fiscal year. During the first quarter, earnings were somewhat lower than in 1925, due to the keen competition with the imported fabrics. The competition occurs chiefly in heavy goods from the United States, and in fine goods from England. Moreover, the price of raw cotton has declined during the year; this has naturally had an unfavorable effect on the company. For the year to date the gross volume, while lower at the beginning of the fiscal year, has picked up of late. The outlook for the next four months is fairly satisfactory; thus the company should obtain much the same results at the conclusion of its current fiscal year as were obtained during the year ending March 31, 1926.

WEATHER AFFECTS "STEAMERS"

From Our Own Correspondent.

MONTREAL.—The premature cold weather which has prevailed and the freezing of some of the Great Lakes harbors has naturally had its effect on the Canada Steamship Lines, but it is thought that the tie-up will result in only delaying the traffic somewhat and not in tying it for the remainder of the winter. Improved weather conditions are understood to have improved the situation.

GOODYEAR MAKES ITS COTTON PLANT EARN GOOD PROFIT

Dividends Will Be Promptly Met, Shareholders are Told

In sending shareholders of Goodyear Cotton Company, the annual statement of their company, C. H. Carlisle, president, gives them a review of the negotiations leading up to the purchase of the company former Canadian Manhasset Cotton Company by Goodyear Tire.

He concludes his remarks with the cheery forecast that "Your investment is safe and the interest on the bonds and the dividends on the stock will be paid promptly on due date."

Mr. Carlisle says, in part:

"The Manhasset Cotton plant was built in 1920. At the time of building of this plant, the price of cotton goods was abnormally high, and the profits were unwarrantedly large. It was presumed that the Manhasset mill would prove an exceedingly good investment, and had the prices and margins been maintained, the investment would have yielded a large profit, but shortly following the war prices dropped and margins of profit entirely disappeared. The whole cotton industry was adversely affected, and this was especially true of the Northern cotton mills. Owing to the depressed conditions, higher labor costs, strikes, etc., most of the New England mills, largely those manufacturing tire fabric, either closed their plants or moved their machinery to the South. The new southern mills established a low price level that made it unprofitable for northern mills to operate. The result was that a number of the mills were forced to go out of business and sell their machinery for whatever price they could get for it. The Manhasset mill was built during abnormally high prices, therefore, their investment per spindle was exceptionally high. Their plant consisted of only about 15,000 spindles. They were compelled to make a variety of constructions for their different customers, and owing to these conditions they could not operate at a profit, therefore, they offered their plant for sale.

"We purchased the plant for $775,000, which was considerably under its book value, but at a price higher than we could have erected a similar plant and equipped with strictly up-to-date second-hand machinery, on which we had an option from an American Cotton plant. We had an advantage in buying the Manhasset plant, as it was a going concern and required no financing. Since the purchase of the plant, we have discarded all obsolete machinery; replaced it with the latest type of machines and added additional equipment. We have now about 20,000 spindles. The machinery has been rearranged and the plant put in first-class working condition.

"The entire output of the plant is sold to the Goodyear Tire & Rubber Company of Canada Ltd., thereby, eliminating all selling expense, credit risk, and the stocking of finished materials. The plant is operated on a 22-hour basis and on standard constructions. The new equipment is now in operation, and your company will be able to sell its product, meeting the lowest competitive prices and make a profit of many times its dividends and sinking fund.

"We have a reserve of $254,591.87. This reserve is set up against the current appraisal at the time of purchase of the plant. Our net surplus, after dividends, is $33,032.93. It will be our purpose to build up strong reserves and surplus and eventually to eliminate our bank loans."

Profits from April 1 to September 30, the end of the company's fiscal year amounted to $49,658 out of which dividends of $16,625 were paid on preferred stock. Surplus stands at $33,033.

DIAMOND DRILL FOR OIL

A second diamond drill has been taken into Turner Valley oil field, south of Calgary. Dalhousie, controlled by Royalite, an Imperial Oil subsidiary, will diamond drill its No. 1 hole now down 3,600 ft. Illinois Alberta has met with good success in using the diamond drill.

Canada Steamship Lines
Limited
6% First and General Mortgage Bonds, due 1941
Series "A"
This company is the largest engaged in inland water transportation. Its fleet of 109 vessels moves a large part of the grain crop to the seaboard, and plays an essential part in the transportation system of the nation.
Price: 98 and interest to yield over 6.20%
Descriptive booklet upon request
NESBITT, THOMSON and Company, Limited
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton Winnipeg
London, Ont.
530

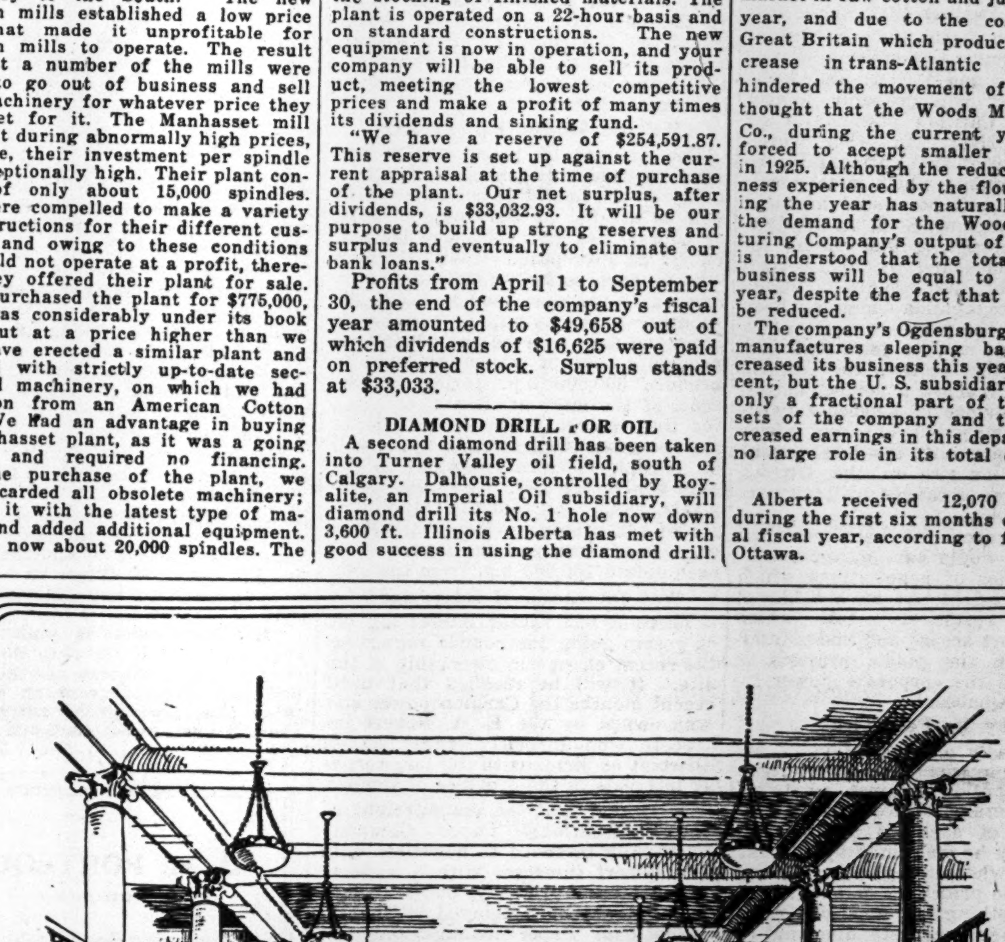
Woods Manufacturing Feels Milling Depression

From Our Own Correspondent.

MONTREAL.—Due to the declining market in raw cotton and jute during the year, and due to the coal strike in Great Britain which produced a rate increase in trans-Atlantic freight and hindered the movement of flour, it is thought that the Woods Manufacturing Co., during the current year may be forced to accept smaller profits than in 1925. Although the reduction in business experienced by the flour mills during the year has naturally decreased the demand for the Woods Manufacturing Company's output of bags, yet, it is understood that the total volume of business will be equal to that of last year, despite the fact that profits may be reduced.

The company's Ogdensburg plant which manufactures sleeping bags has increased its business this year by 100 per cent, but the U. S. subsidiary represents only a fractional part of the total assets of the company and thus, the increased earnings in this department play no large role in its total earnings.

Alberta received 12,070 immigrants during the first six months of the federal fiscal year, according to figures from Ottawa.


An Important Engagement

You have a rendez-vous with the Christmas spirit. Then be sure to treat the Christmas spirit with the consideration which is its due. Don't meet it at a jostling early morning bargain counter. Don't make a casual appointment at the touch-and-take booth at the recreation club bazaar. Don't hope to catch up with it in the frantic swirl of final moment shopping, or try to come to terms of understanding with it when you are being urged to the door by an exhausted floor manager at twelve o'clock on Christmas Eve.

Keep your rendez-vous with the spirit of Christmas in the Ryrie-Birks Court of Gifts. For the Court of Gifts is the natural habitat of the Christmas spirit—spacious, gay, festive and various. Here, with leisure and space for appraisal and discrimination, Christmas shopping becomes the pleasantest of all Christmas activities.

Open till 6 p.m. from now until Christmas

Ryrie-Birks
Diamond Merchants
Yonge and Temperance

CAN. PERM. LOAN ADDS ROYAL LOAN TO ABSORPTIONS

Deal is Being Put Before Shareholders—Price $202 Share

After having celebrated its fiftieth anniversary last year, the Royal Loan & Savings Co., of Brantford, Ontario, has accepted an offer of purchase from The Canada Permanent Mortgage Corporation of Toronto, subject only to the approval of the shareholders of the Brantford company. The current market price of Royal shares is $165 with a par value of $100, and shareholders are offered the equivalent of $202 for their holdings. Payment is offered on the basis of 50 per cent. cash and 50 per cent. in the 5 per cent. debentures of the Toronto company, with the option that the shareholder may convert more, or all, of his holdings into Canada Permanent stock. The Royal loan shares are on a 10 per cent. dividend basis.

The Royal Loan has behind it a remarkable record of steady progress and conservative management, and throughout its 50 years of business has only had three managers and four presidents. One of the outstanding features of the business is the safety deposit department which does an exceedingly large business, and possesses some very valuable equipment. In 1925, the company had its most successful year and declared a bonus of 2 per cent. Net earnings on capital were 14.24 per cent.; reserves amounted to $582,000, which is 97 per cent. of the capital, and liquid assets which totaled over $700,000 amounted to more than 60 per cent. of demand deposits. Against a total liability to the public $1,832,000, the company holds sound assets of over $3,000,000.

Little need be said about the Canada Permanent Company. For 72 years it has been a pioneer and leader among Canadian mortgage companies. In the last twenty-five years it has absorbed five other companies and now extends its operations from coast to coast. Under the proposed purchase Canada Permanent Trust Company, (an associate institution established by the mortgage company), will succeed to the business of the Brantford Trust Company which has been controlled by the Royal Loan for nearly 20 years. If the purchase is ratified by the shareholders, the Brantford institution will become a branch of the Toronto company, the staff and officers will remain unchanged and the Royal directors will become an advisory board, in Brantford, to the Canada Permanent organization.

CHAIN OF TERMINAL WAREHOUSES PLANNED TO COVER ALL CANADA

(Continued from Page 1)

has just published a prospectus of its services which gives some idea of the extent of co-operation afforded to agriculture and industry by modern storage and shipping plants of the type now being built and to be built in the larger Canadian cities. Storage facilities comprise only a portion of the service rendered. The company, its booklet sets forth, will act as customs brokers, clearing goods through any port in Canada. It will issue warehouse receipts, which can be used as collateral on loans, thus releasing for further business operations much of the capital that would otherwise be tied up in warehouse goods. Display rooms for exhibition of samples are being provided as well as offices for brokers, agents, etc.

Pooling of shipments to make up carload lots is also one of the services to be extended. Manufacturers will be able to ship their goods to the warehouse, where carload lots will be made up of shipments from different manufacturers to the same consignee, thus reducing freight charges. Cartage, traffic service, advances on freight charges, and free insurance on all goods in storage are also part of the service.

Give Larger Services

By linking a chain of warehouses in the chief centres under one control and management, it is stated that further services will be given to shippers.

Promotion of export trade in butter, cheese, eggs, fish, and flour and similar products is expected to result from the provision of storage space for collection of shipments and grading of products.

Sir William Hearst and Sir John Willison are associated with the project. The Montreal warehouse is fairly closely affiliated with the Canadian Pacific Railway, while representatives of both the C.P.R. and C.N. R. are on the board of the Toronto company.

As Others See Us

A Word for the East

Charlottetown Guardian: The Financial Post of the 19th instant is specially dedicated to the Maritimes and contains a number of excellent articles dealing with various Maritime subjects. Editorially the Post draws attention to the value of the Maritime Provinces as the only outlet to the sea for the rest of Canada.

After referring to the struggles of certain inland European countries to obtain an outlet to the sea, The Post proceeds: These but indicate of what vital importance are the Maritime Provinces to Canada as a whole. For several months of the year, these provinces are the Dominion's sole domestic outlet to the Atlantic. Whilst the necessity of the confederation of the nine provinces is always admitted on what might be termed a patriotic or spiritual basis, yet perhaps it is not generally realized how important are the Maritimes on a dollar and cents basis to the rest of Canada—if the value of such associations ever can be reduced to a purely monetary basis."

The Voice of the Press

Moncton Times.—The Financial Post, of Toronto, has identified itself sympathetically with the cause of Maritime rights. So have the Toronto Globe, the Mail and Empire, the London Free Press, the Winnipeg Tribune, and the Calgary Herald and many other journals in Central and Western Canada. The only discordant note thus far heard has come from the Montreal Gazette, which stolidly rejects our entire programme without reading it. If the press of Canada fairly reflects the sentiment of the people, there should be no misgiving or apprehensions as to the course parliament will follow when the recommendations of the Duncan report are laid before it.

Germans Want English Aid to Fight U.S. Oil

To make Europe independent of U.S. petroleum supply, German industrialists are urging English industrial and financial interests to adopt and exploit their patented processes for conversion of coal into liquid fuel. Germans fear an attempt on the part of U.S. oil corporations to crush the German enterprises so as to retain their European markets. They believe that this will come either in an effort to acquire control of the German processes or by underselling. By interesting British capital in the utilization of the patents, the Germans would cement the interest of England and Germany in such a way that they would be able to face the growing menace of U.S. domination. It is said that already £1,000,000 of English capital has been spent on experiments in Germany to investigate the worth of these patents.

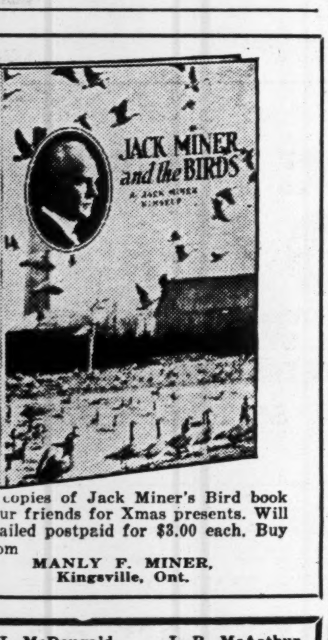
Aggressive Development of Extenuate Property

An aggressive explanation of Extenuate group, up the mountain from Premier, on Portland Canal, has been announced by President Grant Mahood. When camps are ready the driving of two tunnels will be undertaken, both being warranted as a result of the development already done. One tunnel having already been driven on the vein, it is the intention to drop down the hill and drive another for a distance of 800 feet on the vein at what will be the 300-foot level, for the purpose of getting under the showing and exploring the vein at depth. The second tunnel to be driven will be a 2,000-foot crosscut tunnel at the 600-foot level, that has the same objective only at greater depth. The machinery for this work will be installed as soon as the buildings are ready.

Western farmers and their families are already on the move towards the Old Country for their Christmas sojourn. The movement has only started but the signs are that it will be heavy this year, due largely to increased prosperity.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	17	19
Do., pref.	84	86
Brooks Motor 1 pref. & 1 com.	6	7
Do., 1 pref. & 2 com.	8	9½
Can. Machinery, com.	4	7
Can. Westinghouse, com.	168	171
Farmers Dairy, com.	60	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	5	12
Do., pref.	..	80
Fanny Farmer, com.	25½	27
Federal Alcohol & Dist.	7	8½
Goodyear Tire, 6% pref.	93	96
Gunns. Ltd., pref.	27	30
King Edward Hotel, Deb. A.	75	80
King Edward Hotel, Deb. B.	60	63
Loew's London, com.	4	5
Loew's Buffalo, pref.	54	60
Mount Royal Hotel, com.	6	8
Nat. Grocers, 1st pfd.	97	100
Nat. Grocers, com.	2	5
Continental Life 20% paid	41	46
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	62	..
Great West Life	400	450
Monarch Life 10% Paid	29½	31½
Mortgage Discount, pref.	7	7½
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	28	31
Sun Life, 75% paid	545	..
Toronto Finance, pref.	2½	3½
Willard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	20	24
Mount Royal, pref.	61	63



Mail copies of Jack Miner's Bird book to your friends for Xmas presents. Will be mailed postpaid for $3.00 each. Buy it from

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General Financial Agents
SASKATOON
First Mortgage Investments, Property Management

Stock Market Record

WEEK ENDING DECEMBER 7

	Div. Rate	Yield Dec. 6	High for wk.	Low for wk.	Close Dec. 6	Close Nov. 30	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.90	221¾	220	221	221⅞	126	227	214
Dominion	12+1	6.09	213	211	213	211	30	219	207
Can. Nationale	10	6.84	157½	157½	157½	157½	64	170	157
Imperial	12+1	6.15	211¼	207	211¼	208	226	215½	200
Montreal	12+2	5.09	275	271	272	272	205	275	251
Nova Scotia	16	5.48	291	290	290	291	112	300	281
Royal	12+2	5.38	260	255⅛	260	253¾	128	260	248
Standard	12	6.28	191	191	191	191	5	200	189½
Toronto	12	5.45	220½	220	220	221	44	223	213
Paper—									
Abitibi, com. (no par)	4	4.44	90¼	89	89	89¾	2797	98	70¼
Do. pref.	7	6.11	114½	114½	114½	115	5	116	106¾
Belgo-Can., pref.	7	6.96	102	100	100¼	102	505	102½	95¾
Brompton (no par)	.	...	38¾	35	38¼	36	8710	38¾	26
Laurentide	6	5.43	114¾	108	109¾	111¼	6488	114¾	81½
Price Bros., com.	2	2.85	70	66	66	70	20	76¾	57
Do. pref.	6½	6.29	103½	103	103	103⅜	265	103½	95
Prov. Paper, com.	6+1	6.10	115	113	114¾	113¼	415	115	100
Do. pref.	7	6.63	106½	106½	106½	105½	5	106½	100
Smith, Howard, com.	.	...	62	61¾	61¾	62¼	190	67	38
Do. pref.	8	7.61	105½	104	105½	105	65	105½	92¾
Span. River, com.	7	6.73	104	103½	104	105	725	114¾	96½
Do. pref.	7	6.08	115½	114½	115½	115¼	147	120	108
Wayagamack	.	...	113	56	56	...	235	59½	56
Do. (new)	.	...	59½	113	113	113	180	118¼	56
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	1⅛	845	3½	¼
Do. 1st pref.	.	...	20	19½	20	20	245	30	9
Do. 2nd pref.	.	...	3	2⅜	3	2½	765	10¾	1
Can. Car & Found., com.	.	...	37	36¼	36¼	37	210	49	33
Do. pref.	7	8.23	85⅞	84	84½	84	970	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Do. pref.	.	...	..	...	...	...	...	65	41½
C.G.E., com. (par $50)	.	...	50¼	50	50	53	75	53	47
Do. pref. (par $50)	7	6.03	58½	57½	58	58	125	60	53½
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.23	86	85	86	86½	10	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Dominion Coal	.	...	70	70	70	70	35	72½	40
Dominion Iron, pref.	.	...	5½	5	5	6	195	24¾	5
Dominion Bridge	4	3.60	111¼	108½	111¼	109	1630	112¼	80
Dom. Radiator, pref.	7	6.86	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	22	20	20	25	105	26	10⅝
Gould Pumps, pref.	7	6.98	..	...	...	...	...	100¼	100¼
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	...	22	22	22	24	105	31½	15
Do. pref.	7	7.29	96	95	96	95	150	97½	87
Massey-Harris, com.	.	...	68¾	68	68½	68½	702	73	40
Do. pref.	7	6.82	102½	102	102½	102½	67	102¾	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	20
Ontario Steel, com.	4+1	6.75	..	...	...	...	...	78½	60
Do. pref.	7	7.00	..	...	...	...	...	103	98
Russell Motor, com.	3	...	..	...	...	...	...	50	39
Do. pref.	7	7.54	92	91	92	92¾	17	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	18	5
Steel of Canada, com.	7	6.06	116	114¼	115	116	406	117	95⅛
Do. pref.	7	5.78	123	121	121	123	61	123½	114
McKin. Ind. Voting Trust.	.	...	21	19⅞	20	22	360	30¾	19⅞
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	20½	19	20	18½	585	26⅝	18
Do. pref.	7	8.43	84	83	83	83	11	92	83
Atlantic Sugar, com.	.	...	28¾	25½	28⅜	27	4045	32⅞	21½
Do. pref.	.	...	87	83¼	87	86½	705	88	75
B.C. Fishing	5	5.02	100	94½	98¾	94¼	7177	100	57¼
Can. Bread, com. (no par)	$2.50	2.80	89	89	89	89	120	95	53
Do. pref. (A)	7	6.27	111½	111	111½	111½	28	112	105
Do. pref. (B)	7	6.60	106¼	106	106	106	49	107	96¼
Can. Canners, com.	.	...	14½	14	14½	13⅜	40	15	12
Do. pref.	4	5.42	73¾	71½	73	71½	2390	73¾	60
Canadian Salt	8	6.40	127	125	125	125	65	145	125
Christie Brown c. (no par)	.	....	38¼	38	38	36	65	63½	31
Can. Bak., c. (no par)	.	...	34	34	34	34	160	37¾	26¼
Do. pref.	7	7.00	100	100	100	99½	35	100	92
City Dairy, c. (par $25)	12	3.52	85	80	83	80	1715	85	65½
Do. pref.	7	6.19	..	...	...	...	...	113	107
Cuban Can. Sugar, com.	.	...	5	5	5	3	100	5	3
Do. pref.	.	...	32½	32½	32½	30	32	32½	21
Dom. Stores, c. (no par)	$2.40	3.52	68	68	68	69	50	70¼	56
Wm. Davies (A) (no par)	.	...	33	31½	33	32	278	37¼	27½
Do. (B) (no par)	.	...	..	...	...	...	...	12	10
Inter. Milling, pref.	7	6.71	105	104	104	105	91	106	98½
Lake of Woods, com.	12	7.57	159	150	159	150	173	175	139
Do. pref.	7	6.08	116½	116½	116½	115	25	118	115
Loblaw, com.	$1.00	2.32	43	43	43	43	17	55	29¾
Do. pref.	7	6.66	..	...	...	...	...	105	100½
Maple Leaf Mill, com.	.	...	..	...	...	...	...	88	50⅛
Do. pref.	7	7.07	99	99	99	97½	28	102	90
Ogilvie Flour, com.	5+5	5.00	201	201	201	200	1	201	165½
Do. pref.	7	5.83	122	122	122	120	10	125	117
Pure Gold Mg. (no par)	50c	...	20½	20	20½	21½	14	23½	17½
Shred. Wh., c. (no par)	75c	5.17	58	57½	57⅞	57⅞	410	59	47½
St. Law. Flour, com.	.	...	..	...	...	...	...	45	26
Do. pref.	7	8.80	79½	79½	79½	79½	10	84	79½
Viau Biscuits, com.	.	...	..	...	...	...	...	28	18
Do. pref.	7	8.04	..	...	...	...	...	89	85
Western Groc., c. (new)	.	....	26	26	26	30	2	34½	24
Do. pref. (new)	7	9.33	75	72	75	75	63	80	62
Do. com. (old)	.	...	..	...	...	...	...	13¼	3¾
West. Can. Fl. c. (no par)	35c	5.82	24	24	24	24	25	25	18
Do. pref.	6½	6.46	..	...	...	...	...	100½	97⅜
Utilities—									
Bell Telephone	8	5.74	139½	138	139	138	486	141	136
Calgary Power	.	...	..	...	...	...	...	52½	50⅞
Consumers Gas	10	5.84	171	171	171	171	23	183⅞	170
Int. Util. (A) (no par)	87½c	...	..	...	...	...	...	38½	29½
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser. pref.	7	7.14	98	97	98	96½	76	99¼	96
Laurentide Power	5	4.16	120	120	120	120	235	130	100
Mackay, com.	7	5.46	128	126	126	129	26	138½	121¼
Do. pref.	4	5.63	71	70	71	70½	166	73½	68⅞
Mexican Light, com.	.	...	..	...	...	...	...	33	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & P., com.	2	2.81	71¾	71	71⅛	71¼	3505	75	59
Do. pref.	.	...	..	...	...	...	...	50½	48½
Mont. Teleg. (par $40)	8	6.40	50	50	50	48½	37	51½	47
Ottawa L. H. & Pr., com.	6	6.00	100	100	100	100	25	100	92
Do. pref.	6½	6.31	103	103	103	102½	60	105½	100
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Quebec Power, com.	6	3.12	195	189½	190	195	344	200	118
Do. pref.	7	3.66	194	190	190	193	921	200	109½
Shawinigan	8	2.95	273½	269⅞	271½	271½	3207	275½	167½
South. Can. Pr., com.	2	2.22	91	89	91	89	92	98	81
Do. pref.	6	5.88	102⅛	102	102⅛	101½	95	104½	99
Transportation—									
Can. Pacific Rly.	10	609	164	163	164	165	83	169	147
Can. Steamships, com.	.	...	33	31	31	33	646	33¼	11
Do. pref.	.	...	95	93	93½	95¼	409	96⅛	56
Do. pref. (new)	.	...	80	77	77	...	542	80	77¾
Do. voting	.	...	29	29	29	30½	50	31¼	11
Tractions—									
Barcelona (par $50)	.	...	..	...	...	...	...	40½	26
Brazilian, com.	5	4.60	109¾	103½	106⅜	103½	37843	123½	80
Do. pref.	6	5.74	104½	104½	104½	103⅝	10	108	97½
Detroit Un. Rly.	.	...	2	2	2	2	25	3½	1½
Duluth-Superior	.	...	25	25	25	27	6	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams.	10	5.98	169	166	169	167	32	190	159
Do. Rights	.	...	9	9	9	9¼	43	12½	9
Ottawa Traction	4+1	...	..	...	...	...	...	74½	60
Porto Rico Rlys., com.	.	...	..	...	...	...	...	49⅝	40
Do. pref.	7	7.77	..	...	...	...	...	91	85½
Twin City, com.	5	7.81	64⅞	63	64⅞	64	692	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec., com.	1	...	62	61	61¼	61¼	1330	63⅛	45¼
Do. pref.	7	6.86	103	102	102	102	97	103	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	35	35	35	38	25	49	35
Can. Converters	7	6.93	102	101	101	101	41	104	90
Can. Cotton, com.	8	6.80	117½	117½	117½	113	63	124	113
Do. pref.	6	6.31	95	94	95	94	102	99½	92½
Cosmos Imp., com.	.	...	16½	16	16	16½	785	16½	14¾
Do. pref.	.	...	92¾	92½	92¾	92⅞	84	93½	92½
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	52⅝	51½	52½	51½	38	56	45
Dom. Textile, com.	5	4.87	102½	101½	102½	102	1107	103	89
Do. pref.	7	5.83	..	...	...	...	...	122	115
Monarch Knitting, pref.	.	...	55	55	55	52	5	55	30
Montreal Cottons, com.	6	5.55	108	108	108	109½	3	115½	102
Do. pref.	7	6.08	..	...	...	...	...	115½	110
Penmans, com.	8	4.33	184½	182	184½	184¾	6	191	173
Do. pref.	6	5.98	..	...	...	...	...	104½	100¼
Wabasso Cotton	4	4.03	99¼	99¼	99¼	100	100	100	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.88	68	68	68	68	154	70	54
Do. pref.	7	7.25	96¾	96½	96¾	97	41	98	92
Asbestos Corp., com.	.	...	24	23	23¼	23½	3103	25¾	16½
Do. pref.	7	8.33	84	83½	82¾	83½	1951	84	62
Building Products, pref.	7	7.44	94	93	93	93	15	94	83
Brant Cord, pf. (par $25)	8	8.33	24	23¾	24	23	664	27½	23
Burt, F. N., com.	12	5.17	58¾	57½	58	57⅞	651	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Can. N. W. Land	.	...	18	18	18	20	29	21	18
Canada Cement, com.	6	5.17	118	116	117	117	320	124	98
Do. pref.	7	5.93	118	117	118	118	72	120	113
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	4.26	31¾	27	30⅝	26½	83658	31¾	16¼
Crow's Nest Coal	6	8.82	68	68	68	69½	10	85	51
Dom. Glass, com.	7	7.00	100	92½	98	92¼	2877	105	81
Do. pref.	7	6.19	113	112½	113	104	45	113	103
East. Theat. c. (par $25)	.	...	..	...	...	...	...	30	18¾
Do. pref.	7	...	..	...	...	...	...	95	83
Famous Players, com.	.	...	16½	16½	16½	16	20	21	11
Do. pref.	8	8.51	94	93	93	93	97	94½	88
Gilman, com.	6	4.91	122	122	122	121	4	127½	104½
Do. pref.	7	5.38	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.23	97	96½	97	97	112	99¼	85
Holt Renfrew, pref.	7	...	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	37½	37½	37½	36	10	41	25
Kelvinator, com. (no par)	.	...	..	...	...	...	...	20¼	14
Do. pref.	7	7.77	90	89½	89½	90	22	95¾	88
Lyall Construction	.	...	35½	35½	35½	35½	100	48	20
Nat. Brew. c. (par $25)	4	5.88	70½	67	67½	67	9569	72	56
Do. pref.	7	6.60	106	106	106	105½	10	110	101¾
National Brick, com.	.	...	8	8	8	8¼	200	12½	8
Do. pref.	7	11.66	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.45	93	93	93	93	25	110	90
Do. pref.	7	6.60	..	...	...	...	...	110	102
Page Hersey, com.	75c	5.17	59½	57¼	58	58¾	1893	59½	43
Do. pref.	$1.75	5.85	120	118¾	118¾	118½	792	120	100½

	Div.	Yield	High for	Low for	Close	Close	Sales	Range, 1926	
Loew's, com.	.	...	..	...	...	...	...	40	36
Do. pref.	.	...	95	95	95	93	54	95	90
Port Hope Sanitary, com.	3	2.50	125	120	121	120	34	130	74½
Do. pref.	7	6.66	..	wk.	Dec. 6	Nov. 30	for wk.	High	Low
Rogers, Wm., com.	.	...	70	...	...	...	...	105	99
Do. pref.	7	7.00	100	70	70	70	126	70	45
Sher.-Williams, com.	6	4.09	146½	100	100	95	51	100	90
Do. pref.	7	5.88	..	146½	146½	148½	60	148½	125
Sterling Coal	4	...	38	...	...	...	...	120½	110½
Tooke Bros., com.	.	...	..	38	38	36	20	43	36
Do. pref.	.	...	81½	...	...	...	...	8	8
	Rate	Dec. 6	wk.	80	81	81	200	81½	56
Tuckett Tobacco, com.	4	5.88	68	67½	68	73	65	73	58
Do. pref.	7	6.66	105¾	105	105¾	105	35	105¾	100
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.23	85	83¾	83¾	85	13	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.88	93½	93½	93½	93	11	100	90
Can. Permanent	12	5.66	..	...	...	...	...	212	202¼
Colonial Invest.	6	...	..	...	...	...	...	7	4
Huron & Erie	7+½	5.55	..	...	...	...	...	135	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Mont. Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.00	..	...	...	...	...	110	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	83
Toronto Gen. Trusts	12	5.38	223	223	223	223	3	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	6.79	..	...	...	...	...	105	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	39	35	37	35	876	43¾	7
Beacon Oil	.	...	18⅜	18	18	18⅛	660	19½	14¼
Belding, pref.	7	6.82	102½	101¾	102½	80	35	102½	75
Brewers & Distillers	.	...	5¼	4¾	4¾	4⅝	1160	5¼	4¼
Brit. Amer. Oil (par $25)	10	3.21	78	69½	77⅛	69¼	23033	78	47
Can. Nor. Pr., com.	.	...	40¾	40¾	40¾	40	7	40¾	28
Can. Oil, com.	5	5.52	90½	90	90½	85¼	74	91	65
Do. pref.	8	6.95	115	115	115	112	35	115	109
Cockshutt, pref.	.	...	72	68	71¾	67¼	698	73	57¼
Continental Oil	$1.00	...	..	...	...	...	...	26	17⅞
Can. Nor. Power, pref.	7	7.10	98⅞	98½	98½	98¾	360	99	89¼
Cosgrave Brew. (par $10)	5	6.25	9	6	8	6	12689	9	5
Dom. Eng.	.	...	135	135	135	130	65	135	65
Dominion Power, pref.	7	...	..	...	...	...	...	101¼	101¼
Eastern Dairies	.	...	16½	15½	16⅛	...	150	16½	15½
Dryden Power (no par)	.	...	11	10½	10½	11	100	12	5½
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	75	59½
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Good. & Worts	$1.00	2.56	41	36½	38⅞	36½	12822	41	27½
Hamilton Dairies	.	...	..	...	...	...	...	24½	21¾
Loew's, London	.	...	3¾	3¾	3¾	...	10	3¾	3¾
Illinois Power, pref.	7	7.10	99	98½	99	98½	24	99¾	95
Imperial Oil	1+25c	3.20	39¼	37	38¾	38	10507	39⅝	32½
Inter. Petroleum	75c	2.36	31¾	31	31⅝	30¾	2695	35½	29¼
Manitoba Power	.	...	43	43	43	43½	310	48¾	24
McColl Bros., com.	80c	...	25	23	24⅞	22¾	1745	25	18⅞
Do. pref.	7	7.07	99¼	98	99¼	97	87	99½	95
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	..	...	...	...	...	490	450
Nor. Mex. Pr., com.	.	...	..	...	...	...	...	55	40
Do. pref.	7	8.43	..	...	...	...	...	85	80
N.S. Car	.	...	..	...	...	...	...	15	7½
Ottawa River Power	.	...	..	...	...	...	...	25	25
Ott. Mtl. Pr. pf. (par $50)	7	...	..	...	...	...	...	48½	48½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	100	75
Power Corp. (no par)	.	...	27¼	26⅛	27¼	26	1577	28¼	22
Do. pref.	6	6.48	95½	92½	92½	92	119	95½	92
Seagram	.	...	18	15¾	17	15½	29576	18	14½
Pressed Metals	.	...	30	30	30	36	90	40	30
Simpson, Robt., pref.	6	6.00	100	100	100	100	10	102	99
St Law. Pr. (no par)	.	...	52½	52	52½	52	369	60½	35
Do. pref.	8	7.33	107½	107½	107½	109	25	109½	103¾
St. Maurice Pr.	.	...	..	...	...	...	...	101	72½
St. Maurice Valley	.	...	59	59	59	59½	14	65	40
Sover. Securities	.	...	165	155	165	160	605	165	150
Toronto R.S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	52½	50	50	50	37	65	50
Do. pref.	6	5.71	105½	105	105¼	105	28	105	102
Volcanic Oil	63c	...	35	35	35	34	550	35	26

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MONTREAL TORONTO WINNIPEG VANCOUVER

Pulp & Paper

SPANISH RIVER'S MANITOBA ASSET STARTS EARNING

Manitoba Paper Will Bring Revenue—Spanish's Position Satisfactory

From Our Own Correspondent

MONTREAL.—Construction work on the Manitoba Paper Company is well up to schedule and before the end of the month, the company should be selling newsprint paper. While the progress which has been made will prove satisfactory to holders of the securities of the Manitoba Paper Company, it also has a bearing on the Spanish River Pulp and Paper Mills, which together with the Abitibi Power and Paper Company and financial interests immediately associated with both these companies, owns all the common stock in the Manitoba Paper Company. Thus, by the end of the year the Spanish River Pulp and Paper Mills and also Abitibi, should have added to their assets another source of revenue.

Sinking Fund Satisfactory

Another satisfactory factor in the Spanish River situation is the operation of its sinking funds as applied to the various outstanding bond issues of the company. These eliminate each year a proportion of the bonds and improve the bonded debt position of the company; this reduces the annual interest requirements and, of course, tends to increase the earnings available to the shareholders.

The action of the sinking fund is seen in a comparison of the balance sheet of 1922 and 1926; in the former year the company had a total bonded debt of $13,031,960 and loans of $1,800,000, making a total of $14,831,960. At the close of the 1926 fiscal year there were no loans and the funded debt had been reduced to $10,486,606.

More Bonds to Be Called

By the operation of the sinking fund the company will retire on January 1 next $114,500.000 of its 6 per cent first mortgage sinking fund gold bonds which mature December 1, 1931. The last annual statement showed that these bonds were outstanding to the amount of $1,572,000 which figure will be reduced next January to $1,457,500. The bonds to be retired have been drawn for redemption at $110 and interest; they will cease to carry further interest after the close of 1926.

Hard Work In The West

About 1,000 men have been working night and day to get the Manitoba subsidiary of Spanish River in shape for the almost immediate production of newsprint in that province. The machines will each have a capacity of about 125 tons daily and the second machine will be operating early in 1927. Pine Falls the location of the mills, is some 70 miles north-west of Winnipeg, close to the eastern shore of Lake Winnipeg. The project, including the model town, will involve a probable aggregate expenditure of $11,000,000.

Outlook Is Obscured

While the immediate outlook for all the newsprint companies seems to be somewhat obscured due to the tremendous increases in the newsprint output which have come on the market during the past year and which are scheduled to come on during the next six months, yet it is understood that Spanish River has been pursuing a conservative wood policy and cutting much wood from those limits which are distant from the mill.

Spanish River stocks have some advantage over the other newsprint securities as they were not split during the boom years of 1919 and 1920. Thus, a large proportion of earnings has gone back into property over the past seven or eight years.

Management Is Conservative

The company follows a definite scheme of re-forestation, and by careful selection and systematic cutting, its fire risk is reduced to a minimum. It thus plans to make itself independent indefinitely with regard to its raw material requirements.

For years, there has been talk and gossip of a merger between Abitibi and Spanish. But the latter has a very intricate capitalization which will perhaps hold up any such deal for some years yet.

Pulpwood Reserves Large

As regards the size of its pulpwood limits, Spanish is in a unique position and owns the cutting rights on 21,000 square miles. The company develops in all 55,100 hydro electric horsepower and operates three mills. Additional power is also secured under a satisfactory long term contract with the Great Lakes Power company.

Over the past five years the average earnings on the common stock have been about 19 per cent. All in all, it can be seen that even presuming that there be some surplus newsprint production in the market in 1927, this company is in an excellent position to withstand any competition. Moreover, the general opinion seems to prevail that even if some surplus does come on the market, it will in the end result in nothing but good for the newsprint industry of Canada as a whole for it will reduce the output of the less efficient mills in the United States, which as yet, due to the fact that production has practically always been behind consumption, have not felt any real competition.

Mistassini Power is To Finance Shortly

From Our Own Correspondent.

MONTREAL. — It is anticipated that the Mistassini Power and Paper Co. will carry out financing shortly, both in Canada and in the United States; it is thought probable that the first offering will consist of mortgage bonds. An estimate of the cost of the new mill runs from $6,000,000 to $6,500,000. It is expected that the first unit of the Mistassini mill will be in operation by the end of 1927.

The site of the new 200-ton newsprint mill is at the upper end of Lake St. John, about 21 miles from the end of steel on the C. N. R. line at St. Felicien. It is anticipated that arrangements will be made for the extension of this line to the mill site in 1927.

INTERNATIONAL EMPLOYS 6,500

MONTREAL. — About 6,500 men are now employed by the International Paper Co. in its power and paper developments on the Gatineau River. When all the projects are completed, it is anticipated that 1,500 men will be employed regularly. In the forest and sawmill operations, about 2,600 men will work during the summer months and from 4,500 to 5,000 men in the winter months.

Newsprint Outlook Voiced by Executive

From Our Own Correspondent.

MONTREAL.—The general opinion of newsprint executives appears to be that the outlook for the industry during the coming year is somewhat obscure. The attitude of those actually engaged in the industry may perhaps be summed up in the words of one of the leading newsprint executives in the world who, stated to The Financial Post:

"The expansion of the trade is going on in an abnormal way, and the trade, as a whole, is bound to suffer to some extent from this. I do not consider the present price of $65 a fair price for newsprint; I would put it nearer $75—to this extent the mills are suffering already.

"The increase in the consumption of newsprint up to the present has been very great, but whether it continues its upward trend or not is a matter of conjecture. Some think it will, and others again think it won't.

"The manufacture of newsprint is a most important industry, and, on the whole, is in good hands and has undoubtedly the confidence of the public, otherwise money would not be so easily obtained for new ventures. There may be a shake-up in the next few years, or, again, there may not, but in any case the industry is such that it is bound to survive and thrive.

"The public, however, should be taught to discriminate between a solid conservative administration, and those which are more speculative and adventurous. It is in this way only that the danger of loss to the investor can be avoided."

Anticosti Corporation Development Proceeds

From Our Own Correspondent

MONTREAL.—The Anticosti Corporation is engaged in shipping 15,000 railway ties and 2,000,000 feet of lumber, besides bringing in men and all kinds of equipment to the island from Quebec and other St. Lawrence ports. Everything is being landed at Port Menier, the island headquarters of the corporation. The management intends to develop the fur and fishing industry on the island along the same lines as they were developed in the past by Senator Menier, who, until about six months ago, was the owner of the property.

Representatives of the Foundation Co. left recently for the island, on the last regular boat trip of the season, to prepare machinery that will be required for loading the wood on boats next year, after the opening of navigation. It is planned to cut about 300,000 cords this winter. The average annual cut of about 400,000 cords, to be divided between the three newsprint mills associated in this enterprise, would represent a pile four feet high and four wide extending a distance of 600 miles or almost double the distance between Toronto and Montreal. No definite arangement has been made as yet by the corporation for the transportation of the pulpwood from the island.

While navigation on the St. Lawrence River has come to a standstill in general, at Anticosti Island, due to the large scale on which operations are to be conducted during the winter seasons, schooners are to be loaded and probably will move to other ports right in the midst of the closed season. The timber cut on Anticosti Island by the Anticosti Corporation will be manufactured at Three Rivers and at Port Alfred. At the latter point the mills of the Port Alfred Company will in part be supplied by the production of the island, while at Three Rivers the St. Maurice Valley Corporation and the Wayagamack mills will receive their shares of one-third of the output each.

Equity in Port Alfred Increased by $1,500,000

From Our Own Correspondent

MONTREAL.—Next week the shareholders of the Port Alfred Pulp and Paper Corporation meet to increase the common stock outstanding from 60,000 shares to 120,000 shares. The new shares will be sold to the present shareholders who will be offered the stock at $25 per share. Thus netting the treasury $1,500,000 and also thus increasing considerably the equity behind the company's bonds and preferred shares. At the close of the month the company will have its fourth newsprint machine in operation. This will complete the development programme of Port Alfred.

Plans for Paper Mill Not Definitely Laid

From Our Own Correspondent

MONTREAL.—According to Ottawa dispatches, the $4,000,000 paper mill to be erected by Nesbitt, Thomson and Company interests, of Montreal, has now become a certainty. The site of the new mill is on the Fraser property between Deschenes and Aylmer on the Quebec side of the Ottawa River near Ottawa. It is said that the erection of the new mill will probably commence next spring.

Information obtainable here, however, leads to the belief that definite plans regarding the project have not yet been laid.

POWELL PLANS WORK

MONTREAL.—The Powell River Paper Company, Powell River, B.C., which lately completed an extensive addition to its newsprint plant, is now considering elaborate improvements to the town of Powell River. The building programme on the townsite, involving an expenditure of a million and a half, includes a department store, a picture theater, community hall, hospital, isolation hospital, bathing beach and other details. The work will extend over three years.

APPOINTS GATINEAU MANAGER

MONTREAL. — The International Paper Co. has appointed James M. Murray of its Three Rivers plant to be manager of the new Gatineau mill. C. W. Walker, now superintendent of the Glen Falls mills in New York state, will succeed Mr. Murray at the Three Rivers plant.

F. T. HARRIS VISITS TORONTO

F. T. Harris, who has charge of the publicity work for the International Paper Company, Canadian International Paper Company and Gatineau Power Company was a visitor in The Financial Post Toronto office last week.

Price Bros.' Output Up 200 Tons in Year

From Our Own Correspondent

MONTREAL.—Good progress has already been made by Price Brothers & Co., in beginning the work necessary to the enlargement of its Riverbend mill. The addition to the plant will be completed by the end of 1927 and the two new newsprint machines will place paper on the market by January 1, 1928. At that time, the Riverbend mill will have a capacity of 400 tons of newsprint daily.

Price Brothers & Co. has always been one of the foremost mills in the matter of timber resources; thus, it has more than ample limits to supply its increasing raw material requirements. Moreover, during the past year, the company has added another 1,000 square miles to its timber holdings.

For a long hold, we believe that the common shares of Price Brothers and Company are one of the most attractive issues in the newsprint group. The future of the stock during 1927 depends upon the newsprint market in the United States. At the moment, we can see little hope of much appreciation in the newsprint group in the coming year. However, economic opinion may be wrong—as it has been in the past—and newsprint consumption in the United States may continue the growth experienced in 1926. If it does, Price Brothers shares will probably again appreciate in 1927.

If you purchase this stock now, purchase it with the idea of holding it for five years. In the meantime, the stock may have its ups and downs, but our opinion is that for the really long pull, the stock offers many attractions.

Broadly speaking, at the moment, however, the outlook for all the newsprint stocks simply depends on whether or not the United States newspaper reader will continue to increase his consumption of daily papers.

Price Brothers operate under the direction of an able management.

STILL AT HELM

Official denial is made by W. M. Wilson that he has resigned or proposes to resign as head of the Dominion Financial Corporation. The company has recently undergone a reorganization and in this connected rumors had been heard of the impending resignation of the president. That there is any foundation to this story is emphatically denied. Mr. Wilson stated the reorganization had now been practically completed and the company was never in a better financial condition than at the present time.

PACIFIC MILL EXPANDS

MONTREAL.—An issue consisting of bonds amounting to $175,000 has been completed by the Westminster Paper Mills, New Westminster, B.C., to partially finance the installation of another machine. It is understood that the plan involves the formation of a subsidiary company, which will be known as the Pacific Coast Paper Mills and the latter will erect a plant at Bellingham. This announcement serves to indicate the widening attention which the British Columbia timber districts are commanding from pulp and paper interests following so many years of intensive development of the great lumber activities of the province.

STE. ANNE BUYS LIMITS

MONTREAL.—It is understood that the Ste. Anne Paper Co. is at present negotiating with a view to obtaining further timber limits located along the lower St. Lawrence.

ST. MAURICE VALLEY EARNS $8 ON STOCK

Earnings for Current Year Understood to be Satisfactory —To Produce Over 900 Tons

From Our Own Correspondent

MONTREAL.—Current rumor says that the St. Maurice Valley Corporation annual report for the year ending December 31 next will show earnings of about $8 per share on the common stock which is now quoted on the Montreal Curb market at around 59.

Next week the shareholders meet to authorize the increase in the common stock. The authorized no par value stock will be increased to 350,000 shares. After this is ratified, the shareholders of the Canada Paper Company will exchange their holdings in the ratio of two of the old for one new share in the St. Maurice Valley Corporation.

One 160,000 Outstanding

As the corporation has only 150,000 shares of stock outstanding and as the Canada Paper has but 20,000 shares outstanding, the deal will mean that in the annual report for the current year, St. Maurice will show 160,000 shares of common stock outstanding with 190,000 shares still in the treasury.

The expansion programme of the corporation will be concluded at the end of the present month when the eighth machine at the Belgo plant will come into operation. The number seven machine which started producing this autumn is operating satisfactorily and producing 100 tons daily already—when properly tuned, both machines will turn out about 110 tons daily.

By the end of the year, the capacity of the St. Maurice plants will total 915 tons production from the plant of the Canada of newsprint daily. This is including the Paper Company. It has, of course, an additional production of chemical pulp wrapping paper and paper specialties. The corporation is now the largest paper company in the Dominion.

Montreal Bank President Sees Newsprint Surplus

From Our Own Correspondent.

MONTREAL.—The situation in the newsprint industry received the attention of Sir Vincent Meredith, president of the Bank of Montreal, who in his annual address to the shareholders of the bank declared:

"In ten years our exports of wood, wood products and paper have increased from $83,000,000 to $278,000,000. The United States' consumption of newsprint is over 3,000,000 tons a year, of which Canada supplies rather more than one-half. Within the next twelve months Canadian mills now under construction will be adding about 450,000 tons a year to their present output, and, unless the present rate of consumption expands, there is the possibility of a surplus of newsprint coming on the market at no distant date."

NEW TORONTO MILL

It is understood that United States capitalists have secured an option on some valuable property in the Don Valley near Toronto, with the intention of starting a large paper-converting plant which will manufacture several lines of goods from wood pulp. Application has been made to the Hydro with a view to securing several hundred horsepower for operating purposes. If the deal goes through it will mean a large expenditure for construction and an active domestic market for the waste paper stock in Toronto and district.

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Abitibi Power & Paper Company
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St. Maurice Valley Corporation
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St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL - QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
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SOME PURCHASING OF "SMELTERS" FOR LONG INVESTMENT

Stock Appears to Give Indications of Appreciation for "Long Pull"

From Our Own Correspondent

MONTREAL.—In keeping with the general market levels, the shares of the Consolidated Mining and Smelting have recently shown further appreciation. This is due to a variety of causes which include the anticipated year-end bonus, the further developments which the company has under way and the expectation that, as far as increasing earnings are concerned, the end is not yet in sight.

The programme of development includes increasing the output of the customs lead-zinc mill from 300 to 600 tons daily, and an increase in the zinc reduction capacity of 80 tons which would increase the output to 355 tons daily; to operate these extensions when completed there is the projected increase in the West Kootenay Power and Light Company's capacity to 60,000 horsepower. The latter is a subsidiary of "Smelters."

To be Reflected in 1928

There seems to be little doubt that the increased earning power from such extensions will be felt in 1927; but it is thought that the real benefits will not accrue to the company until 1928. Thus there are many to-day who are purchasing the shares with the idea of holding them for considerably more than a mere "quick turn."

Although "Smelters" stock naturally has the speculative element which is always associated with mining operations of any sort, yet the speculative hazard is materially reduced, first due to the excellent financial position of the company and secondly, perhaps, because its shares may soon be split. If, as and when, this takes place, the lower market valuation of the new units would undoubtedly make for a wider, and consequently more stable, market for the shares. All of which should materially benefit the present stockholders.

It is hard to be bullish about the immediate outlook for the company, for it is known that many of those close to the company consistently warned against speculation in the stock when it was as low as 70. Probably the warnings were against mere speculation, rather than investment in the security.

In Very Strong Position

One of the best points about "Smelters" is the conservative management which has plowed back a large portion of its profits into reserves of all kinds—reserves and surplus total nearly $14,000,000 as compared with fixed assets of some $20,000,000.

The outlook for profits for the current year and the outlook for an increased distribution of profits at the year-end are well summarized in the current market bulletin published by Craig, Luther & Irvine, members of the Montreal Exchange which says in part:

"In the face of somewhat fluctuating metal markets any estimate of profits for the current year would be impossible with any degree of accuracy; the actual results achieved for the first six months of net earnings up to $5,638,237, as compared with $3,960,763 for the corresponding period of last year, shows a gain of $1,677,474 or 42 per cent.. It would be unreasonable to anticipate as large an increase for the second six months, for last year the company was operating under a much greater capacity during the latter portion than earlier. A fair estimate, however, would figure on net of 100 to 110 per cent. available on the capital stock, or well over $25 a share. A bonus for the entire year far in excess of the $5 disbursed for 1925 should be a practical certainty."

Dominion Glass Shares React to Election

From Our Own Correspondent.

MONTREAL.—The common shares of the Dominion Glass Company have reacted considerably from the low of 81 for the year. The annual report for the year ending September 30, should make its appearance shortly and the general opinion is that this exhibit will be somewhat better than was first anticipated.

As Ontario has decided to allow the sale of liquor once again, it is felt that the potential markets awaiting the company have broadened and thus, a more optimistic spirit regarding its future obtains generally.

Mount Royal Shareholders Will Revamp Holdings

Dividend Arrears Will be Wiped Out by Exchange of Securities — Preferred Dividend to be Cut Two Per Cent.—More Common for Preferred Shareholders

From Our Own Correspondent.

Mount Royal Exchange Summarized

PRESENT HOLDINGS	NEW HOLDINGS
1 preferred share	1 new preferred share.
$28 in dividend arrears	$3 in cash and $28 in scrip. x
8 per cent. annually.	6% annually, plus 1/10 share of common stock.

xBeginning 1930, to be paid off at the rate of 5 per cent. annually. No dividends to be paid on common until all the scrip is retired. Scrip bears no interest.

MONTREAL.—The foregoing summarizes the offer made to the preferred shareholders of the Mount Royal Hotel Company. The same offer has been made to the convertible debenture holders. It will be seen that such an exchange of stock means that the company will wipe out its preferred share dividend arrears, and that the preferred shareholders will have their dividend rates cut from 8 to 6 per cent.; in order to compensate the shareholders for the reduction in the dvidend rate, the United Hotels Company of America, which owns approximately 50 per cent. of the common stock of the Mount Royal, will give, from its own holdings, one share of common stock of the Mount Royal, will give, from its own holdings, one share of common stock for every ten shares of preferred so exchanged.

Offer Has Been Endorsed

The offer has been made by the management of the company and by the United States Hotels Company of America. It has received the endorsation of a preferred shareholders' committee consisting of twenty-four of the largest preferred shareholders in the company.

Under the plan, the distribution of common shares to the preferred shareholders means that the United Hotels of America will sacrifice approximately one-quarter of its holdings of common capital stock. The plan means that the holder of 100 shares of preferred and 30 shares of common stock will receive 100 shares of new 6 per cent. cumulative preferred stock, scrip to the amount of $2,500 representing dividend arrears to December 31, 1926, and an additional 10 common shares to be supplied by the United Hotels Company—making total holdings of 40 common shares.

Remarks of the President

In outlining the offer to the shareholders, Frank A. Dudley, the president of the company, says that, while the hotel would be unlikely to earn 8 per cent. on its preferred stock, the management, after careful study, is reasonably confident that it can earn 6 per cent., and that this definite rate can be established and maintained on the preferred shares.

Mr. Dudley goes on to say that the only sacrifice which the shareholders are making will be in consenting to a reduction in their dividend rates. To offset this sacrifice, the United Hotels Company is also sacrificing about 25 per cent. of its total holdings in the common stock. He further points out that such an exchange in securities will work to the advantage of the preferred shareholders by increasing considerably the valuation of their holdings, and will result in establishing a definite and reasonably satisfactory market for the preferred stock at prices very much in excess of those which prevail at present. The meeting of shareholders to ratify the exchange takes place December 20.

Earnings Much Increased

The earnings of the Mount Royal Hotel Company for the nine months' period ending September 30, 1926, have resulted in a profit of $392,092. During the last quarter of the calendar year the company has always experienced a loss, but earnings during the final quarter of this year will show an improvement over preceding years, and it is estimated that the total earnings for 1926 will be in the neighborhood of $400,000.

The company has made considerable progress during the year, as the following balance sheet as at September 30, 1926, reveals:

Assets	
Current assets	$ 650,280
Fixed assets, less dep.	9,534,530
Operating rights	6,900,000
Investments	10,940
Deferred charges	677,126
Total	17,772,876
Liabilities	
Current liabilities	$ 242,696
First mortgage bonds	3,760,000
Serial notes	200,000
Pref. stock and con. deb.	6,825,700
Common stock	6,000,000
Surplus	744,480
Total	$17,772,876

Lake of Woods Milling Obtains Better Results

From Our Own Correspondent

MONTREAL.—The Lake of the Woods Milling Company is experiencing better results. Conditions of the flour milling industry to-day are better than they have been since 1920. As the company is ably managed and has achieved an enviable reputation for the brands of flour which it produces, it seems certain that it will benefit to the full through any betterment to the industry as a whole.

The company has just completed the first quarter of its fiscal year. The Dominion Flour Mills, a subsidiary purchased over a year ago, has experienced considerably better business. As this is Lake of the Woods only seaboard mill, it is expected that it will prove a more and more valuable asset as time goes on.

Complete Two New C.P.R. Hotels by First of May

Canadian Pacific Hotels, new hotel at Regina, Sask., when completed for opening on May 1, 1927, will contain 240 rooms and the central portion will be twelve stories high. It is being so constructed that it can be enlarged when the necessity arises.

Banff Springs Hotel new fireproof north wing, which will cost over $1,500,000 is to be completed for service by May 1, 1927.

The new building will be eight stories high and contain 203 bedrooms. There will be a main rotunda on the ground floor and a main lounge, foyer, ballroom and conservatory on the first floor.

COMMERCIAL FINANCE BUSINESS IMPROVING

Surplus This Year Will Equal Surplus for All Other Twelve Months

The Commercial Finance Corporation, with head offices in Toronto and branches and subsidiaries in a number of cities, including Buffalo, N.Y., is expected to end the year with net profits of $80,000. This sum is equal to the surplus carried over from previous years.

Although the exact figures will not be available until the balance sheet is prepared after December 31st, it is said that cash on hand and in banks now totals $180,000, as compared with $91,718 at the end of last year. The notes receivable (notes signed by purchasers of automobiles and other commodities bought through this company) total $2,000,000, as compared with $790,000 at the end of last year. This increase in business has, of course, caused liabilities to grow, the notes payable bankers now being $1,500,000, as compared with $488,000 at the end of last year.

Preferred at 72

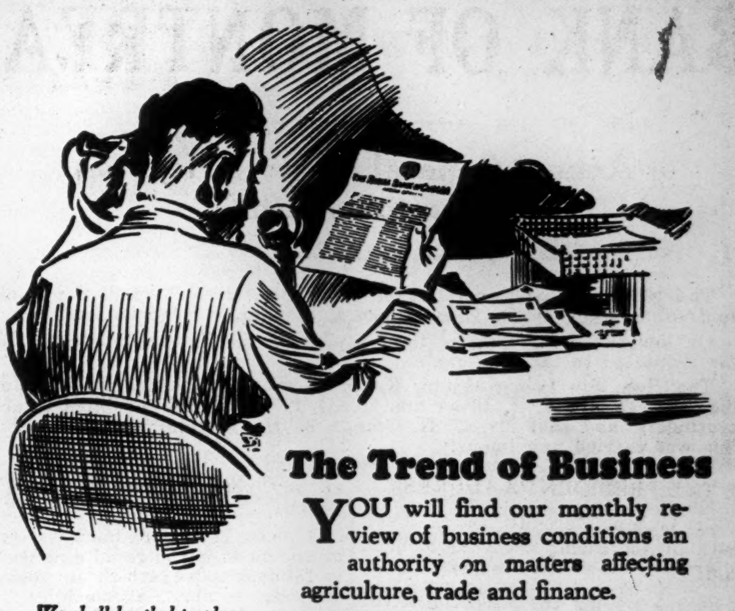
Commercial Finance has 3,504 shares of 7 per cent. cumulative preferred issued. The dividends are paid up and the shares when they occasionally come on the market, sell around 72, with the common at twenty or thereabouts.

Commercial Finance does both a recourse and a non-recourse business. It is stated, however, that this company, in common with a number of its competitors, is gradually getting away from the non-recourse business. The non-recourse financing costs the purchaser a higher rate of interest because the dealer is out of the picture as soon as the notes are signed. If repossession eventually becomes necessary the finance company is put to the expense and inconvenience of taking the car and disposing of it. Losses of profits from repossessed automobiles is very slight, it is said.

Ontario's Decision Reacts on Stocks

MONTREAL.—The recent rise in the beverage stocks was naturally due to the decision of the province of Ontario to forego prohibition. The shares of National Breweries and the Canadian Industrial Alcohol were leaders in the rise, as also were Cosgrave and Seagram, which moved upwards on the Montreal Curb market.

Another stock which reacted to Ontario's decision was that of the Dominion Glass Co. It is understood that the outlook of the company is considerably improved through Ontario going "wet," in which province it will be able to sell a much enlarged output.



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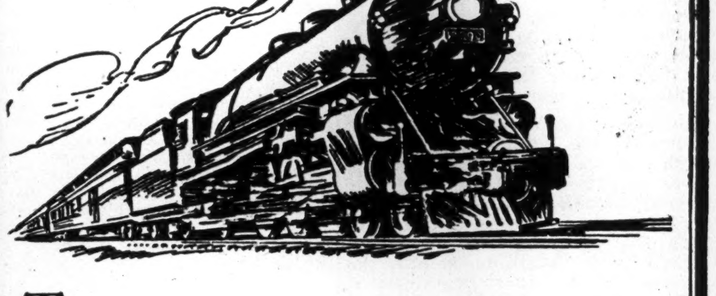

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BANK OF MONTREAL

Annual General Meeting Held 6th December, 1926

The 109th Annual General Meeting of the shareholders of the Bank of Montreal was held in the Board Room at the Bank's Headquarters.

On motion of Sir Charles Gordon, G.B.E., Sir Vincent Meredith, Bart., was requested to take the chair.

The Hon. Sir Lomer Gouin, K.C.M.G., moved, seconded by Mr. James Rodger, that Mr. W. R. Miller and Mr. G. L. Ogilvie be appointed to act as scrutineers, and that Mr. C. H. Cronyn be the secretary of this meeting. This was carried unanimously.

THE PRESIDENT'S ADDRESS

Sir Vincent Meredith, Bart., President, in addressing the shareholders, said:

Before moving the adoption of the Report, it is customary for me to make a few remarks.

As the balance sheet indicates, the business of your Bank during the past year has shown a satisfactory and healthy expansion, and, in consequence, the result of our operations has again demonstrated that the Bank's earning power notwithstanding the economic vicissitudes of the past few years is unimpaired. Money, at home and abroad, has been in better demand, and while the rates have not materially advanced, the larger turnover has resulted in better earnings.

A broad survey of trade conditions in the year under review finds much to hearten and little to discourage. In almost every department of commerce activity is greater and, despite keen competition, profits are larger. Confidence finds practical demonstration in increased capital investment in development of natural resources and, to a lesser extent, expansion of manufacturing plants. Outstanding in this respect is the growth of the pulp and paper industry, the exploitation of mineral deposits and the harnessing of water powers, closely allied industries indigenous to Canada and in respect of which she may be said to stand unrivalled. The growth of the pulp and paper industry is remarkable, and has produced large profits. In ten years our exports of wood, wood products and paper have increased from $83,000,000 to $278,000,000. The United States' consumption of newsprint is over 3,000,000 tons a year, of which Canada supplies rather more than one-half. Within the next twelve months Canadian mills now under construction will be adding about 450,000 tons a year to their present output, and unless the present rate of consumption expands, there is the possibility of a surplus of newsprint coming on the market at no distant date.

The Power development on the Saguenay by the Aluminum Company of America is an undertaking of more than local interest. When completed, the plans provide for a total of about 1,100,000 H.P. (nearly 50% larger than that available at Niagara for Canada). The creation of this new industrial centre, with its model city of Arvida, will add materially to the resources of the Province of Quebec.

Then we have our great mineral resources. In 1913 Canada's mineral production was $145,000,000; in 1925, $228,000,000, a gain of 57 per cent. As a producer of gold, the indications are that we may soon rank second among the countries of the world, and there can be no doubt as to the vastness of our potential mineral production in general.

Rapid as has been the development of these sources of national wealth in recent years, no limit can reasonably be put upon their progression. There is, indeed, the frequently discussed question of the extent of our pulpwood and timber resources and the danger of production in excess of current demand, but a growing sense of the vital importance of forest conservation bids fair to act as a deterrent to excess, and I hold the conviction that these mainstays of Canadian commerce will long flourish.

In the leather and footwear trade, branches of industry depressed of late, improvement has set in. The textile industry has enjoyed moderate prosperity. Iron and steel works have been fairly well employed. Building operations throughout the country have been active, but in some cities house construction would seem to have overtaken demand and a slowing down in this trade would not be surprising.

The lumber business in Eastern Canada has not been prosperous. In British Columbia lumber manufacturers are moving a reasonable volume, but the prices are too low to show a real profit. The greater use of substitutes for lumber, such as cement, steel, patent roofing, etc., cannot but have an injurious effect on the industry.

Coincident with the improvement in business has come a decrease in unemployment. Not since 1920 have the ranks of out-of-works been so thin as now. I refer to the country at large, as in some trades and in a few cities a slight reduction in the number of hands employed is recorded. There are, of course, seasonal variations in the demand for labor, but the encouraging fact is that unemployment is now less than at any period during the past six years.

A phase of modern business worthy of comment is the rapid extension of instalment sales, which in some instances, notably automobiles, now characterizes the bulk of transactions.

Opinions differ as to the permanent advantage of the method, alike to buyer and seller, and admittedly there are two sides to the question. The buyer assumes a debt which may prove an awkward encumbrance and which he may be unable to discharge, but on the other hand he is, if honest, compelled to a course of thrift and, pending the payment of the purchase price, has the advantage of use of the commodity, and it is a fact that the extension of instalment sales has not halted the accumulation of savings deposits in the aggregate, nor reduced purchases of life insurance. The seller who employs this method undoubtedly incurs risk unless he has taken adequate safeguard and precaution against loss, and this is the crux of the whole question.

Conducted within prudent lines on the part of both buyers and sellers, he method has merit. It unquestionably aids business, bringing to the merchant customers otherwise unavailable.

Nor is the principle new. Most houses are built or bought on the instalment plan, that is to say, upon mortgage, and credit is as old as the hills. The danger lies in excess. Experience in the automobile trade has shown that the percentage of cars returned to the dealer diminishes as the initial payment rises, a lesson not to be lost by those who sell on the instalment plan. The subject is of keen interest to bankers, who deal in credit, and my conclusion is that the method should not be condemned where cautiously conducted, which means, when the standing of the buyer is carefully considered, an ample down payment is exacted and the balance spread over a limited period.

The aggregate of Canada's foreign trade still expands, having had a value of $1,290,500,000 in the seven months ending October 31st, or $42,000,000 more than in the corresponding period last year. The character of the trade, however, is changing, imports having increased and exports decreased, as a consequence of which the favorable balance has diminished. Taking the seven months' period, there was last year an excess of $181,300,000 of exports over imports, while this year the excess is only $95,800,000, and it is possible that this margin may be further reduced in the near future. On the other hand, while we are not shipping abroad the same volume of dairy products as last year, we still have a dominating trade in cereal exports to counterbalance rising imports, with a steadily enlarging market in the United States for newsprint and pulp, so that the diminishing tendency in our favorable trade balance need not give immediate concern, though its significance cannot be ignored.

Better domestic business accounts for the growth of imports, which had a value in the seven months to October 31st of $597,331,000, being greater than in 1925 by $63,785,000, and larger than in any like period since 1920; and of this increase no less than $23,531,000 consisted of iron and its products. Also, in a considerable measure, the stream of foreign capital coming into Canada for investment is an offset. While it would be preferable to have Canadian capital available for Canadian development, it is impossible for a young country to supply the needed money for this purpose, and infinitely better is it to have this development brought about by foreign capital, to the primary and ultimate advantage of our people, than to have our resources lie dormant. A point of importance not remotely related to the balance of trade is the large holding of Dominion securities by our own people. I know of no more striking example of the reserve wealth of the Canadian people than their investment in Dominion Government bonds. Before the war, of a Federal debt of $330,000,000, much the larger part was held abroad, but of the present debt of about $2,500,000,000 no less than $1,964,000,000, or nearly 80 per cent., is held by Canadians, who receive and employ interest on this immense sum. There need be no fear of the financial stability of a people who in twelve years have invested nearly two billion dollars in their own Government bonds.

As no man, so no country can live unto itself, and to better business the world over must be attributed some of the improved condition in Canada. The United States has enjoyed a year of abounding prosperity, resulting largely from the ever-multiplying demands for many commodities of a fully-employed population. Possessing, as it does, one-twelfth of the world's consumers and one-half of the world's gold supply, its own territory furnishes an ever-expanding market. The people are consuming less than they produce and savings continue to show a surprisingly substantial increase. Inflationary tendencies are well controlled. The establishment of the Federal Reserve system has so altered the character of the monetary and credit structure of the country that there is no reason to fear the former extreme fluctuations in general business conditions. Another effect has been the attainment of a sounder and more widespread economic development. Restriction in a few industries stands out in contrast to the general and well-scattered prosperity, but there is faint indication of any over-production of commodities. Keen competition exists in many lines, especially in the motor industry, which, without the assistance of the instalment system might find difficulty in marketing the enormous full-time output. Prices, while generally stable, are on the whole showing some progress toward lower levels. The railroads have seldom been more prosperous and are rendering service of the highest description. Fundamental conditions underlying the business situation continue sound. There is no evidence of a piling up of raw materials or of finished goods. Merchants, large and small, who learned in 1920 the perils of swollen inventories have kept out of danger by hand-to-month purchases. Commodity prices are not unreasonably high and show a declining tendency, despite increasing prosperity. Throughout the country generally among business men and in the labor ranks there is confidence and a sound financial background, leaving little ground for pessimism, although the record-breaking cotton crop will probably adversely affect the buying power of the South.

Turning to European affairs, there is every reason for satisfaction at the considerable advance made towards more settled conditions in general and in particular in the direction of monetary stability. The re-establishment of gold either as a standard or as a basis for currency in most of the leading countries has been an important factor in this favorable development, assisted, of course, by loans of a very considerable amount issued principally in Great Britain and America. The recent Belgian stalilization loan is a noteworthy example. Indications of co-operation between the central banks augur well for the maintenance of the improved financial situation. The existence of outstanding inter-allied indebtedness regards the return to sound financial conditions. Most encouraging progress has been made towards settlement, but the ratification by France of her debt agreement with Great Britain and America is an urgent necessity. A careful review of European affairs from various angles, however, gives me every reason for a more optimistic outlook than at any time since the Armistice. The Imperial Conference has met in London and not the least important subject of discussion is the plan for the advancement of British trade with the Dominion overseas. A notable development during the year has been the creation in Great Britain of the Empire Marketing Board, having the authority of the British Government to expend £1,000,000 per annum of public money for the purpose of fostering the demand in Great Britain for the produce of Overseas Dominions. British trade has suffered a severe set-back as a result of the long-continued coal stoppage, which has for nearly six months turned Great Britain from a coal exporter to an importer, to the serious detriment of the foreign trade balance. That the pound sterling should have remained above the gold export point in face of the difficulties encountered is proof of the financial strength of Great Britain.

In Canada better harvests than that of this year have been gathered, but as a whole farmers have been well recompensed for their labors. The wheat crop at 405,000,000 bushels falls a little short of that of 1925, while lowering of grade caused by prolonged wet weather finds compensation in higher prices, so that the net return should not be substantially reduced. Vicissitudes of climatic conditions are in the way of nature, yet it can be said that these are neither more frequent nor more extreme in Canada than elsewhere, and that, taking one year with another, the Canadian farmer the country over has little reason to complain. It may interest you to learn that in eleven months of the crop year 1925-26, more than one-half the wheat shipments from world exporting countries emanated from Canada, which contributed 259,000,000 out of a total of 488,000,000 bushels, a fact stamping Canada as the granary of the world. Better balanced farming, which provides income over the whole year, is steadily on the increase.

The railways afford fairly accurate evidence of the volume of business, though not necessarily of the profits arising therefrom, and applying this test, the deduction is very satisfactory. Both transportation lines have during the year reported increasing earnings from month to month, the Canadian Pacific experiencing one of the best years in its long period of successful operation, and the Canadian National making strides towards overcoming the deficit in capital charge, which not long since imposed a serious burden upon Federal finances. It is trite to say that with respect to the railways, to enlarged production, to expansion of trade and to reduction of taxation, immigration is essential and, to my mind, the most important factor in Canada's growth. Almost no limit can be set to the prosperity attendant upon an influx of people commensurate with the absorbing and assimilating power of Canada. Some progress in this direction has this year been made, and it should not be a vain hope that ere long the consociate efforts of Government and private agencies to attract to this country desirable settlers from abroad will bring gratifying results.

In conclusion, Canada has emerged from the shadow of restricted business, unsatisfactory earnings and indifferent balance sheets and the trend of business is now distinctly upward in practically all lines of trade. I cannot see any indication that this period of prosperity is soon coming to an end. I believe the underlying conditions are sound and the future can be viewed with confidence.

THE GENERAL MANAGER'S ADDRESS.

Mr. Chairman and Gentlemen:—

The hundred and ninth annual balance sheet of our Bank, now presented, reflects, in the fuller employment by the business interests in Canada of our available funds and by our comparative freedom from losses, the general improvement that has taken place in the trade and commerce of this country during the past year.

As a natural consequence of these favorable conditions, I have to report not only that our earning power has been greater, but that from every standpoint we are in a more virile condition than ever before, while we adhere to our time-honoured policy of being always in a strong liquid position.

The figures contained in our balance sheet may not show any remarkable change as compared with those of a year ago, but you will, of course, realize there are many factors and many influences at work. On some of these I will touch.

In cash and quick assets we held, at the close of our bank year.

Gold and subsidiary coin..	$ 32,500,000
Deposits in Central Gold Reserve	17,000,000
Notes of, and Cheques on, other Banks	30,800,000
Balances in other Banks	19,800,000
Call Loans	160,800,000
Securities	112,800,000

The total, $424,500,000, of such immediate assets represents 60.35 per cent. of our total liabilities to the public, and this is approximately the position which we maintain year in and year out.

Apart from better business conditions in Canada, we have naturally benefitted by an improved demand for money and firmer interest rates at our outside points, London and New York.

To meet the greater demands of our commercial customers in Canada we have reduced our investments by approximately $27,000,000. This sum represents, roughly, the increase in our current loans in Canada, which now stand at $269,000,000 as against $241,000,000 a year ago. This we regard as proof positive that business throughout the country is better.

Commercial failures in Canada for the year numbered 2,285, with liabilities of $33,871,000. This compares with 2,313 failures, with liabilities of $46,656,000 in 1925.

Our deposits are higher by $23,600,000 than a year ago. They are now $647,000,000, and it is satisfactory to report that our time deposits, which represent for the most part individual savings, are showing a steady annual growth. This plainly indicates both the thrift of our people, and also their continued confidence in the Bank of Montreal as the custodian of their savings.

Our bank Premises account has been reduced $350,000 during the year, and we have, as usual, made full provision for maintenance and alterations.

We have during the year opened 12 new branches and agencies, and closed the same number, leaving the total unchanged at 616.

We do not look for a very rapid return from new branches as a rule, and proceed with due caution in establishing them, yet we maintain our policy that the Bank shall be represented wherever there is settlement and activity in Canada, thus ensuring for the public all reasonable banking facilities.

As illustrating the Bank's settled determination to keep in the van of banking progress, let me mention some comparatively new special services we now render to our clients and the public at large.

At the Head Office of the Bank several special departments are in operation, each of them manned by specialists in their respective lines.

We have, for instance, a Foreign Department, which keeps in constant touch with all important foreign countries, facilitates the foreign trade relations of our clients, and endeavors to create or increase, among persons and firms abroad, an interest in this country and its opportunities.

A second department watches the hourly fluctuations in the many foreign exchanges and disseminates this information through the medium of our system of private telegraph wires to central points and thence to our hundreds of offices throughout Canada. We are thus able to give to the public facilities in exchange transactions and the benefit of the closest competitive rates.

We have also a department which specializes in securities, maintaining contact at all times with the markets in this country and abroad. The services of this department are at the disposal of our clients through the medium of any of our offices.

As you are no doubt aware, the Bank for several years has been publishing weekly reports upon the condition of our Canadian crops during the growing season. Further, we are now issuing a monthly Business Summary covering all phases of business activity throughout Canada and in the several countries where we maintain offices. Copies of this Summary are sent free to anyone on request and are already distributed to a mailing list extending throughout Canada and to practically every country in the world.

In the past few years our Bank has distributed to the farmers of Canada more than 150,000 copies of excellent handbooks dealing with farming subjects, and the many letters of appreciation received have shown that our efforts to further the interests of this section of our population, and to increase their profits, are widely appreciated. We have also prepared and distributed abroad many thousand copies of our booklets dealing with Canada, our object being to attract the notice of possible immigrants and investors, and to stimulate their interest in this country.

Not all of these services perhaps are directly remunerative, but we believe they have all been of very definite value. They are broadening the facilities available to our clients, creating goodwill, and demonstrating that the Bank is keenly concerned in the public welfare and in furthering the general interests of this country.

Our outside reserve offices, New York and London, have operated satisfactorily in point of earnings and growth.

In the United States banking resources have shown little depletion as a result of the activity in business, and money has remained in plentiful supply at somewhat higher rates. Call money has averaged 5.53 per cent., as against 3.82 per cent. in the preceding year.

Our Paris business is well established, and steadily growing in importance. Our office building is commodious, admirably situated, and extremely well patronized.

During the year we acquired the business of the Mexico City Banking Corporation, which gave us desirable premises in the centre of the retail district of Mexico City and relieves the congestion at our main office. Our business continues to expand on safe and conservative lines and is closely supervised by our local Superintendent of Mexico Branches, resident in Mexico City.

In London, new Canadian public issues have again been negligible, and apparently there is no present prospect of an early re-entrance to that market.

American capital, however, continues to flow into Canada like a bountiful stream, and this expression of confidence by our great next-door neighbor is extremely gratifying. The proceeds of Canadian public loans sold in New York in the calendar year 1926 to date were $250,000,000, while private American capital newly invested here, although unrecorded, must have been not less than $75,000,000.

From a purely material point of view it makes no difference whether the capital that develops our resources comes from the United States or elsewhere, but I shall not be misunderstood if I say that for Empire reasons, which are more than merely sentimental, Canada as a whole would heartily welcome a greater influx of British capital.

One of the many misfortunes which Britain and the Empire have had to face as a result of the War has been the curtailment in the Motherland of exportable capital. This condition will gradually improve, and although the lower interest rates now current in the United States preclude for the present the floating of Canadian public loans in London, this condition is not altogether applicable to money borrowed for private enterprise.

It may not be out of place, therefore, to mention three outstanding facts regarding Canada, for the benefit of potential British investors and of those at home in Great Britain who have the welfare of the Empire at heart.

First, consider our three Prairie Provinces. Less than fifty years ago they were uninhabited. There was the Indian, the buffalo, and a small settlement on the Red River around Fort Garry, now Winnipeg. Today there is on these fertile plains a population of 2,000,000 prosperous people, with millions of rich and idle acres waiting for more settlers to come.

The estimated value of the field crops of these three Provinces in 1900 was $32,000,000. Now, twenty-six years later, the actual value is close to $700,000,000, more than $300,000,000 in excess of the world's annual output of gold. Gold mines become exhausted, but our Prairie Provinces, with the exercise of proper care, are capable of producing in perpetuity. In other words, the great sum mentioned, namely $700,000,000 today with more to come, is in the nature of a sure and rapidly rising dividend.

Second, though Canada is well known as a great agricultural country, it may not be realized abroad that the gross value of our manufactured products at the point of production amounted, in 1924—the latest figures available—to $2,695,000,000, or nearly twice the value of our agricultural production for the same year.

Third, our progress in "harnessing" water power, the utilization of which has increased 180 per cent. in ten years. Canada is now second per capita in water power development in the world. When developments now under way are completed Canada will have in use 4,500,000 horse power, representing a capital investment in power plants and transmission lines of $854,000,000. The undeveloped wealth in this field is prodigious. A conservative estimate is 28,000,000 horse power.

These three facts alone, apart from all other considerations, should be enough to attract afresh to this portion of the British Empire the notice of British engineers, promoters, investors, manufacturers and intending emigrants.

For a decade more or less before the war the view was at times expressed in London that Canada was going ahead too fast on borrowed money and that there was danger ahead. Those of us who did not altogether agree with that view at the time can now at least admit that there was some ground for such criticism.

On the other hand, in comparison with the total volume of both public and private Canadian borrowing in the London market, the percentage of such money that has been lost is unimportant.

It is, I think, worth noting in conclusion that with a population less than 10,000,000, Canada's exports are now equal in monetary value to the exports of the United States when that country had a population of 70,000,000, a remarkable showing even allowing for the decreased value of the dollar.

Admitting that for a period Canada was going ahead too fast, we believe we had our lesson, that we are living down our mistakes, and that things have taken a turn for the better. Moreover, we not only believe but know that we have one of the best and richest countries on earth.

Provincial Reports

The customary reports on conditions in the various provinces have been prepared and are available on request to any persons desiring them.

Report Adopted

The chairman then invited discussion, but there being none, he moved, seconded by Sir Charles Gordon, G.B.E., that the report of the directors, now read, be adopted and printed for distribution among the shareholders.

The report was unanimously adopted.

His Honor Henry Cockshutt moved, seconded by Mr. Thomas Ahearn, that Messrs. James Hutchison, C.A. and George C. McDonald, C.A., be appointed auditors for the bank for the ensuing year, and that the ballot for the auditors be taken at the same time as the ballot for directors is taken.

On motion of Mr. E. W. Beatty, K.C., seconded by Mr. G. B. Fraser, resolutions appointing the necessary proxies for the bank at meetings of controlled companies were unanimously adopted.

Thanks to Officers

The Hon. Rodolphe Lemieux then moved, seconded by Mr. W. M. Stewart, that the thanks of the meeting are hereby tendered to the president, the vice-president, and the Directors, for their attention to the interests of the bank.

In speaking to this resolution, the Hon. Mr. Lemieux said: "I may say that it is a pleasure and honor for me to move this resolution. I have always looked upon the Bank of Montreal as one of the foremost financial institutions not only in Canada and in the British Empire, but of the world. The progress of the Bank of Montreal reflects the progress of Canada. In fact, I may say that in my humble judgment I look upon the Bank of Montreal as the cornerstone of our national credit and security. The advice of the Bank of Montreal, when sought by governments, has always been given in the best interests of Canada. My motion purports to tender thanks to the president, vice-president, and directors. I think we should congratulate ourselves on having as president, vice-president, and directors men of sterling integrity, of commanding ability, who have maintained steadily the honor and traditions of the bank, and who have possessed business acumen and reserved optimism which for over a century has made the Bank of Montreal the pride of Canadians at home and abroad."

The Hon. Rodolphe Lemieux then moved the vote of thanks, as above.

The resolution was adopted unanimously.

The chairman—"On behalf of my colleagues and myself, I wish to thank you for the graceful and flattering remarks you, Mr. Lemieux, have made in proposing the resolution, and Mr. Stewart for having seconded it. Your directors take a keen interest in the bank's affairs, and in maintaining the high traditions and prestige it enjoys."

Mr. William McMaster then moved, seconded by Major-General the Hon. S. C. Mewburn, C.M.G., that the thanks of the meeting are hereby tendered to the general manager, the assistant general managers, the superintendents, the managers and other officers of the bank for their services during the past year.

In speaking to this resolution, Mr. McMaster said: "In this connection I would like to refer to what has taken place within the bank since I was elected a member of the board in 1913. The branches then numbered 180, and now number over 600. The staff was 1,883, and to-day numbers 6,051. The total assets then were 240 millions, and they are now 785 millions, I think that these figures show an expansion which necessarily reflects credit on those mentioned in this resolution as having materially assisted in bringing about this result because of their loyalty, zeal, and ability, from the general manager, the assistant general managers, the superintendents and inspectors down to the staff, senior and junior. I do not want to make this merely a formal resolution, and therefore I am sure that the shareholders will agree with me that we should be more than sympathetic in recognizing the good services given by those I have mentioned. These services should be recognized in a material manner in keeping with other commercial pursuits, and we should go as far as possible in carrying out this idea, and I have much pleasure, therefore, in proposing this resolution."

The motion was carried with applause. In reply to this, the general manager, Sir Frederick Williams-Taylor, said:

"On behalf of all concerned, I have to thank you for this hearty commendation of services rendered during the past year. As you know so well, the maintenance of our position in the banking world—may I say our proud position in the banking world?—would not be practicable but for the loyalty, integrity, and industry of a well-trained and efficient staff. Our time-honored policy is to do all in our power to insure the welfare and contentment of every officer of the bank, and it is a policy which our experience has amply justified. I am glad to say that among our senior staff we have officers of high attainments and promise who, with the training and experience they are now receiving, will be fully competent to fill the most responsible positions of the bank when they are called upon."

The ballot for the appointment of auditors and the election of directors for the ensuing year was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A., and George C. McDonald, C.A., were duly appointed auditors, and the following gentlemen duly elected directors:

Thomas Ahearn, D. Forbes-Angus, E. W. Beatty, K.C., His Honor Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., the Honorable Sir Lomer Gouin, K.C.M.G., C. R. Hosmer, Harold Kennedy, J. W. McConnell, William McMaster, F. E. Meredith, K.C., Sir Vincent Meredith, Bart., Maj.-Gen. the Hon. S. C. Mewburn, C.M.G., F. W. Molson, Lieut.-Col. Herbert Molson, C.M.G., M.C., James Stewart.

The meeting then terminated.

At a subsequent meeting of the directors, Sir Vincent Meredith, Bart., was re-elected president, and Sir Charles Gordon, G.B.E., was re-elected vice-president.

Base Metal Claims at Head of Lakes Staked

An active search for zinc lead properties is going on at the head of the lakes. Old locations on which the title has lapsed have been restaked and considerable work is going on.

Prospecting on Mazakama Bay has produced excellent looking ores. A number of years ago in the region of Fire Hill, prospecting for gold and silver revealed the presence of large areas of base metals, and this section is again attracting attention. While no great amount of work by way of development has taken place, sufficient has been accomplished to show that large bodies of mineral bearing ores have been located.

More Signs of Progress in British Columbia

It is undedstood that steps are under way to add another dock to the plant of the Burrard Drydock Co., at north Vancouver. The present establishment has a 20,000 ton floating dock. It is proposed to add a smaller vessel, of perhaps 3,000 tons capacity.

The newly established plant of the Canadian Scottish Paper Co. at New Westminster, may undergo almost immediate enlargement, so great has been the demand for the products of the company.

At a meeting of the Quebec Streams Commission final plans for regulating the flow of the Gatineau River at Lake Baskatong were arranged. The cost of the project, it is stated, will run to about $6,000,000.

Iron and Steel

DODGE BROTHERS' EARNINGS EQUAL TO $5.55 SHARE

Preferred Equity Shows Remarkable Increase—One Model is Backlog

The fairly wide distribution of Dodge Brothers preferred, and the common A and B shares in Canada makes of unusual interest the calculations of a Chicago authority on the earning possibilities of the company. The surplus for the first three quarters of 1926 has been approximately $13,500,000, or the equivalent of $5.55 the share on the combined A and B common. This balance is better than a return of 25 per cent. on the basis of the present market value of the common.

Perhaps Dodge common, either the voting or the non-voting class, is a bargain at the present figures. But there are factors in the situation which makes it advisable for investors to view this stock with some degree of caution under existing circumstances. In the first place, it is generally believed that the automobile industry is facing a period of uncertainty, possibly a period of depression. Secondly, Dodge Brothers, new issue, cannot yet be regarded as a seasoned security, with a long series of annual earning statements, showing the capacities of the new financial control and management.

Dodge Brothers' position is strengthened somewhat by acquisition of Graham Brothers' truck manufactory. This subsidiary has been showing substantial profits. The bodies for the Dodge commercial cars, which heretofore have been purchased outside, will be made in the Graham factory as soon as the facilities are available. This should result in economies in production.

Build Up Current Business

It is apparent that the company intends to build up a substantial current reserve, a wise policy in any concern and almost essential in the automotive industry which is yet to settle down to a basis of constant production and standard prices and models. Dodge Brothers at the present outlook is fortunate in having its efforts concentrated on one chassis with a variety of body styles to meet the public taste. This single model, plus the fairly constant demand for trucks and commercial cars, should form a backlog which will help to tide the company over any depression which is likely to hit the industry.

There are rumors that this company may eventually branch out with other models, but that move probably will not take place until the peak point of sale for the four-cylinder model has been reached.

The authority, which estimates the net tangible asset per share of preferred at $44.67, as of December 31 last, as compared with an equity of $12.04 the previous April also has prepared the following table:

DODGE BROTHERS COMPARISON OF EARNINGS

Year to Dec. 31—	1925	1924	1923	1922
Net Sales	$216,841,368	$191,652,446	$141,332,685	$130,625,774
Operating Expense	191,131,627	172,780,143	130,700,079	x..........
Ratio to sales	88.44%	90.15%	91.77%	x..........
Operating income	25,709,741	18,872,303	10,632,606	x..........
Other income	2,989,105	1,099,615	958,031	x..........
Gross income	28,698,846	19,971,918	11,590,637	19,054,098
Interest charge	3,948,240	3,948,240	3,948,240	3,948,240
Federal taxes	3,341,332	2,002,960	955,299	1,888,232
Net earnings	21,409,274	14,020,718	6,687,098	13,217,616
Preferred dividends	5,950,000	5,950,000	5,950,000	5,950,000
Balance for common	15,459,274	8,070,718	737,098	7,267,616
Per share on comb. "A" and "B"	$6.35	$3.31	$ .30	$2.98

xNot available.

Market Now for Straw of Alberta Farmers

With the newly-formed straw paper company nearly ready to begin operations, farmers in Alberta are advised not to burn their straw during the winter months. In the opinion of those interested, the company will require straw in the early summer of 1927; and steps are being taken, therefore, to advise farmers a little later in the present season, so that they may bale and deliver this material to selected points in the course of the winter. The immediate minimum requirements will be 12,000 tons.

CANADIAN CAR CO. EARNINGS ARE UP; OUTLOOK BETTER

But Earnings of Company Still Below Preferred Dividend Requirements

From Our Own Correspondent

MONTREAL.—While the net earnings of the Canadian Car and Foundry Company for the year ending September 30, 1926, were not sufficient to meet the preferred dividend requirements, yet the total profits were nearly three times as large as in 1925 and were probably larger than were generally anticipated.

The following figures compare the earnings and working capital position over the past three years:

	1926	1925	1924
Profits	$714,825	$256,388	$1,928,812
Int. earned	132,088	232,484	219,326
Total	$846,914	$488,878	$2,147,638
Depreciation	402,000	402,000	437,000
Balance	$444,914	$ 86,872	$1,710,638
Interest	385,054	416,644	451,417
Balance	$ 59,860	x$329,772	$1,259,221
Tax, etc.	....	....	135,000
Net prof.	$ 59,860	x$329,772	$1,124,221
Pfd. divs.	525,000	525,000	525,000
Balance	x$465,140	x$854,772	$599,221
Prev. surp.	2,655,349	3,903,870	3,567,148
Balance	$2,190,209	$3,049,098	$4,166,369
Pfd. arrears	....	393,750	262,500
P. & L. bal.	$2,190,209	$2,655,349	$3,903,870

xDeficit.

The Working Capital

	1926	1925	1924
Curr. assets	$5,647,289	$5,648,496	$8,130,677
Curr. liabs.	1,469,863	701,508	1,360,593
Work. cap.	4,177,426	4,946,988	6,770,084

Investments Have Declined.

Changes in the balance sheet include substantial gains in inventory, accounts receivable and cash account. Investments declined from 3,280,273 last year to $2,512,853 this year.

During the year, the company's bonds and scrip outstanding have been reduced by nearly $600,000, but demand loans have increased by $500,000. Accounts payable also show some increase. These changes account for the increase in current liabilities and the slight decline in the company's large working capital. The company's strong reserves have been increased during the year.

During the past year, the railway car loadings have been creating new records, and railway earnings month by month have also been breaking new high ground. Thus, the outlook for improved business for the company seems to be satisfactory.

The President's Remarks

The president, W. W. Butler, echoes this sentiment in his report to the shareholders which says in part:

"The year's business was again disappointing. The total value of cars shipped amounted to less than $5,000,000, and as the bulk of this business was booked after the last annual meeting, six months of the fiscal period had elapsed before your car shops were operating to any extent, and even then much below normal capacity.

"Your subsidiary companies benefited somewhat from the improved trade conditions throughout the country, and the volume of their general business was considerably in excess of last year, but did not exceed fifty per cent. of normal production.

"The orders carried forward to the next fiscal period totalled 1,800,000 and represented a considerable increase over the corresponding figure of last year. It is to be hoped that in the near future your companies will profit from the improvement in general business conditions throughout the Dominion, which should insure a steadily increasing demand for your companies' products."

Ford Has Good Year

Ford Motor Company of Canada is operating four days a week and plans shortly to go on a five day basis, closing the last week of the year for inventory. The shut down of the Ford Detroit plants last week did not affect operations on the Canadian company which has been operating three to four days a week throughout November. As a result of big crops, Ford of Canada has enjoyed two successive good years and output this year is expected to exceed that of 1925.

T. A. McAuley Buys Out Arnold Brothers

A group headed by T. A. McAuley has purchased the interests of George and Harry Arnold in Arnold Brothers, chain store operating company in Toronto.

Over a month prior to putting these changes into effect, Mr. Harry Arnold and Mr. McAuley arranged with Stewart Tod to come with the company as general merchandising manager and on Mr. Arnold's retirement December 1, Mr. Tod was appointed general manager of the company.

Mr. Tod is regarded by chain store men, both in United States and Canada, as being one of the most capable and efficient chain store operators on the American continent. He has had many years of successful operating experience having been associated with the Dominion Stores since their inception seven years ago; prior to that with Loblaws for five years and prior to that with Robinson Crawford of Philadelphia who have since become a part of the American Stores, one of the largest chains in United States.

The company now has in operation 13 stores and another is almost ready to open on Danforth Avenue. It is the intention of the directors to open a number of additional stores in the early part of 1927, and negotiations are under way to add another substantial chain to the company's operations.

Mr. McAuley becomes president and chairman of the board.

Eastern Dairies' Stock Appears on Exchange

From Our Own Correspondent.

MONTREAL.—The shares of Eastern Dairies made their first appearance on the market this week when trading began in the shares on the Montreal Curb at from 15½ to 16⅛ with a turnover of 150 shares in the first day. The company operates at Elmhurst Dairy, the Standard Creamery, both of Montreal, the Producers Dairy at Ottawa, and the Acme Dairy in Toronto. It has recently acquired the Richmond Jersey Creamery. The latter operates four creameries in the Eastern Townships of Quebec with headquarters at Richmond, P.Q. It is understood that the demand for the company's cream and milk so increased that the acquisition of the Jersey Creamery became a necessity.

JAMES R. GIBBS
BUSINESS EFFICIENCY CONSULTANT
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Telephone 88
Grimsby

McKINNON SHOWS $400,000 PROFITS DOWN FROM 1925

Buffalo Business Reported By Burtsell as Disappointing

Annual report of McKinnon Industries, Saint Catharines, Ont., and the McKinnon Dash Co., Buffalo, issued this week a reduction in the gross profits from $420,253 for the year ended September 30, 1925, to $402,820 for the year ended September 30, 1926.

H. W. Burtsell, president and general manager St. Catharines, in his address to the shareholders, said that the volume of business in the Canadian works had been satisfactory this year but that the tariff and other competitive conditions had reduced the profits slightly. The business in the Buffalo subsidiaries has not been so satisfactory as was hoped. Sales at St. Catharines, on the other hand, were increased by nearly $500,000 over the previous year. The company during the year acquired the Canadian business of J. H. Williams & Co., manufacturers of tools and drop forgings.

The company's balance sheet reveals a sound condition. Net current assets amounted to $1,296,489, including $250,000 of the company's own bonds acquired during the year. This was an improvement of $134,000 in a year. Fixed assets now stand at $2,069,660 as against $2,125,000 in the previous year.

The present McKinnon company was organized in 1925 to take over the McKinnon company as a going concern. The securities issued are $1,000,000 in 6½ per cent. first mortgage and collateral trust bonds and $1,000,000 in preferred shares $100 par value. The 50,000 common shares are held for five years under a voting trust agreement The members of this voting trust are B E Burttsell, John R. Lamb and R. A. Daly. The agreement expires in 1930.

Nothing Yet In Common

The net earnings of the company after depreciation were $213,981.60, which is equivalent to 3.29 times the bond interest, and 2.11 times the interest on the preferred shares. There are various restrictions governing the payment of dividends on common shares. These restrictions are designed to safeguard further the interest and equity of bondholders and preferred shareholders. The time is apparently remote when there will be an adequate surplus for the common.

McKinnon Industries is about 50 years old, having been started on a capital of about $2,000. The employees now number about 700 in two plants at Buffalo and one at St. Catharines. The Canadian plant is especially well equipped to produce drop forgings, gears, axles and other automobile parts as well as many articles used in the hardware trade. There also is a radiator plant at St. Catharines as well as at Buffalo.

McKinnon Earnings for Four Years

Year	Earn.	Deprec.	Taxes on Profits	Avail. for Bond Int. & Div
1923	$387,818	$151,351	$22,000	$214,467
1924	381,246	152,942	21,000	207,304
1925	420,253	153,790	27,000	239,462
1926	402,820	166,703	22,135	213,981

William Hamilton
LIMITED
Hydraulic Turbine
Machinery and Accessories
Built in Canada and backed by 60 years' experience in this field.
-Leffel Design-
Head Office: Peterborough, Ont.
Vancouver Montreal Winnipeg

Thirty foxes, bred in captivity but untamed, have left Kingston for Helsingfors, Finland, via the Canadian Pacific Express. They are destined to Finland's first Canadian fox farm to be operated by Chester Simpson, an Ontario breeder.

New Issue

$750,000

Laura Secord Candy Shops
(Dominion Charter) **Limited**

7% Cumulative Convertible Sinking Fund Preference Stock

(Par value, $100 per Share)

The 7% Cumulative Convertible Sinking Fund Preference Shares are to be fully paid and non-assessable; preferred as to dividends and assets; entitled to cumulative preferential cash dividends at the rate of 7% per annum payable quarterly (1st January, April, July and October) by cheque at par at any branch in Canada (Yukon Territory excepted) of the company's bankers (now Bank of Montreal); callable in whole or in part at the option of the company at 110 and accrued dividend per share on sixty days' prior notice, or the company may purchase for redemption by tender or in the open market up to 110 and cost of purchase.

Provision is made for an annual Sinking Fund of 20% of the net earnings after providing for depreciation, income taxes and Preference Stock dividends.

CONVERTIBLE AT THE OPTION OF THE HOLDER INTO NO PAR VALUE COMMON STOCK ON THE BASIS OF ONE SHARE OF PREFERENCE STOCK FOR THREE SHARES NO PAR VALUE COMMON STOCK, UNLESS CALLED FOR REDEMPTION, AND SUCH CALLING SHALL NOT EXTINGUISH THE RIGHT OF CONVERSION UNTIL THE EXPIRATION OF THE SIXTY-DAY REDEMPTION NOTICE AND THE REDEMPTION TAKES PLACE.

Transfer Agent and Registrar: National Trust Company, Limited, Toronto

CAPITALIZATION

	AUTHORIZED	TO BE PRESENTLY OUTSTANDING
7% Cumulative Convertible Sinking Fund Preference Stock (this issue)	$750,000	$750,000
Common Shares of no par value	35,000 shares	35,000 shares

(The preference shares will decrease and the common shares increase as and when the conversion privilege is exercised).

Information supplied by Mr. Frank P. O'Connor, President:

1. PROPERTY AND BUSINESS—Laura Secord Candy Shops, Limited, is purchasing all the undertaking, property and assets of Laura Secord Confections, Limited, except certain bond investments and life and accident insurance, and will continue the operation of a chain of fifty-seven retail candy shops located in the Provinces of Ontario and Quebec, as follows:

PROVINCE OF ONTARIO—32

Toronto	22
Hamilton	3
Windsor	1
London	1
Kitchener	1
Kingston	1
Peterboro'	1
Ottawa	2

PROVINCE OF QUEBEC—25

Montreal	20
Verdun	1
Sherbrooke	1
Quebec	2
Hull	1

The business was established in Toronto, in 1913, by Mr. Frank P. O'Connor, President of this company, and has never had an unprofitable year. The policy of the company is to manufacture all its own products in its own studios, which are located at Toronto and Montreal, and to distribute its output solely through its own retail shops and selling agencies. The characteristics of the shops are: distinctive design; prominent locations; cleanliness; fresh merchandise of one quality, and sales at a fixed price for cash. All the retail shops are leasehold, and have a standard design and standard equipment which permits the opening of new shops with minimum capital expenditure. As sales are for cash, the Company's working capital is not tied up in accounts receivable and has no bad debt losses. The Company has no funded debt or outstanding bank loans, and the goodwill, formulas and leases, notwithstanding their great value to the new company, are carried on the balance sheet under the item of goodwill at $1.00.

2. ASSETS (to be acquired)—Fixed assets, as at August 14th, 1926, including Land, Buildings,

Machinery and Equipment, as appraised by Canadian Appraisal Company, Limited	$646,998.20
Net Current Assets, after making provision for all Current Liabilities	$257,465.19
Total Net Assets, less Goodwill	$904,463.39

3. EARNINGS (as certified by Messrs. Clarkson, Gordon & Dilworth)—The net profits of Laura Secord Confections, Limited (old company), after making ample provision for depreciation and Government taxes, and after deduction of interest earned on the bond investments, not being acquired, were as follows:

For the Year ended 30th September, 1924	$136,312.80
" " " " " " 1925	156,611.21
" " " " " " 1926	150,568.45
Yearly average for three years	$147,830.82

Which is at the rate of 1[illegible].[illegible]1% per annum on the Preference Stock

For the year ended September 30th, 1926, the net earnings were at the rate of

[illegible] per annum on the Preference Stock

This is 2.86 times the Preference Stock dividend, and at the rate of $2.80 per share per annum on the present no par value common shares of the company, after provision for Preference Stock dividend.

4. SINKING FUND—Provision is made for an annual sinking fund, the first payment to be made on or before December 1st, 1927, amounting to 20% of the net earnings of the Company for the preceding fiscal year, after provision for depreciation, income taxes and Preference Stock dividends.

5. CONVERSION PRIVILEGE—Holders of the 7% Cumulative Convertible Sinking Fund Preference Stock will have the right to convert each share of their Preference Stock into three shares of No Par Value Stock of the Company, and the calling of such preference shares for redemption shall not extinguish the right of conversion until the expiration of the sixty-day redemption notice and the redemption takes place.

6. MANAGEMENT—Mr. Frank P. O'Connor, and his associates, who have been responsible for the successful growth of the business, will continue to direct its operations.

The above shares are offered when, as and if issued and received by us, subject to the approval of all legal details by Messrs. Blake, Lash, Anglin & Cassels.

PRICE: $100 (par) per Share, yielding 7%

Preference dividends will accrue from December 1st, 1926, and the first payment will be for a period of four months ending March 31st, 1927.

The right is reserved to reject any or all applications, and also in any case to award a smaller amount than is applied for. Interim certificates are expected to be ready for delivery on or before January 5th, 1927.

Application will be made in due course for listing the Preference and Common Shares on the Toronto Stock Exchange.

A. E. AMES & COMPANY
LIMITED
DOMINION SECURITIES CORPORATION
LIMITED

THE STATEMENTS CONTAINED HEREIN ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE, ALTHOUGH WE CANNOT GUARANTEE THEIR ACCURACY.

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ADVERTISING RATES:
Single Insertion—$2.80 per inch.
Financial Reports, Debenture Notices, etc., 20c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada and the United States, $5.00 per annum.
United Kingdom, 21s.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Ave., Toronto, 2.

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thomson, Eastern Editor; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1004, 168 North Michigan Boulevard. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, DECEMBER 10, 1926

TWO DAYS IN ELEVEN

VARIOUS estimates have it that from 18 to 25 per cent. of the total net revenues of the people of Canada are consumed in the payment of taxes. The figure suggesting the greatest amount of painstaking research is that of the Citizens Research Institute, which estimates that in the year 1924 the taxes levied by the Dominion provincial and municipal government amounted to 18.6 per cent. of the total net production of the country from all sources. Even this figure must be revised somewhat. Governments have large revenues from sources other than taxation.

There is some satisfaction in knowing that between 1922 and 1924, productive revenues of the Dominion increased and taxes decreased. The Institute remarks: "The continuance of this combination of factors should operate to bring about increased prosperity." This is indeed true, but the Institute hastens to add that revenues of the Dominion have increased this year. It makes no attempt to forecast a better relationship in the figures.

When one day's work in six does not suffice to meet the tax collectors' bill, genuine prosperity of the larger sort will be slow in coming.

ALBERTA LEARNS LESSON

ALBERTA business men have learned what the provincial government could not foresee; that capital would cease to flow to that province if burdened with unfair legislation, legislation over-riding contracts and wiping out vested rights. Now these Alberta business men are trying to induce the provincial government to repeal much of its dangerous legislation in an attempt to restore the confidence of those with money to lend and to bring them back into Alberta.

Lethbridge Board of Trade, after studying provincial legislation, has appealed to the provincial government to mend its legislative ways. Representatives of business, professional, banking and farming men sat in on the conferences that prepared the memorial.

A complete summary of the recommendations of the board is not necessary here as the memorial is published elsewhere in this issue. It is a significant document; a recognition that a young country can not develop without outside capital, and that outside capital will not come if it is going to be endangered by unwise legislation. It is a recognition of the truth that trying to legislate in favor of the borrower and at the expense of the lender may go to such extremes that borrowers and lenders alike suffer, and that too great derogation of the rights of investors will cause capital to pass by.

LOOKING NORTHWARDS

THE winning personality and obvious sincerity of Mayor Ralph H. Webb, of Winnipeg, created a favorable impression on Montrealers and Torontonians who attended meetings at which he spoke on the Hudson's Bay Railway. It is perhaps unfortunate, despite the "rapport" which Mr. Webb established with his audience, that he was not able to make a better case for this project which is still regarded generally throughout the East as but a chimera.

Perhaps the fact that so capable a person as the mayor of Winnipeg was unable to make much of a case for the railway and the Port Nelson scheme indicates in a measure the real extent of the value of the project to the country and to the Western farmer.

Mr. Webb confined his remarks on the railway to a breezy statement of facts about the project. He referred to the wonderful natural resources which the road would open up, to the great natural harbor which Port Nelson possesses and to the fact that it is possible to navigate the Straits in mid-winter. All of which, so expert evidence states, is open to question, at least as considered from a commercial angle.

Some of the arguments used by Mr. Webb in support of the scheme are illuminating. He declared:

"We do not understand the position that it is not economically sound to proceed with the Hudson Bay Railway, when in the same breath twenty-eight millions are given to Toronto, millions to Montreal, millions to Quebec, all being paid by the Dominion as a whole. If it is necessary for the West to wait, then it is also necessary for the East to wait."

Mr. Webb might just as well have said: Why worry about economics, Montreal gets its pickings and so does Toronto; why not the West?

If this be the sole basis of the Hudson's Bay Railway, then let us get on with it—provided two wrongs make a right. But the latter is usually regarded as poor reasoning.

It is unfortunate that in addressing an audience such as the Canadian Club of Montreal, or the Empire Club of Toronto, Mayor Webb did not bring out some of the economic aspects of the project. None of these were dealt with. Eastern Canadians for the sake of concord are ready to admit that commercial ships can navigate in Hudson's Bay and the Straits in the middle of winter or at any other time. If necessary, they will admit that the harbor of Port Nelson far surpasses any other port in Canada. But what they do not yet admit, because it has not yet been proven is that such a route will make money or pay expenses. Such, after all, is the acid test and it was one which was left untouched by Mr. Webb.

However, as Mr. Webb almost said, the economics of the project may go to pot, the West will obtain the line whatever happens and the whole thing, due to governmental promises, is perhaps now a dead issue.

Even if the speech did not coincide with the opinion of most Easterners, yet Mr. Webb made many friends for himself and for the West by his handling of the subject, especially when he said: "For Heaven's sake, change your faces and look to the north; quit looking to the south." These are sentiments which appeal both to Easterners and Westerners.

BRITISH EXHIBIT SUCCESSFUL

THE fact that the Federation of British Industries is now making plans for a larger exhibit at the Canadian National Exhibition this year shows that the majority of British firms at the 1926 fair must have been satisfied with the results.

There were some firms that did much grouching about the exhibition and complained of complete failure to sell any goods. But when their experiences were analysed it was found that such complaining firms were either unready to adapt themselves to Canadian conditions or had made up an exhibit more suitable to a trade fair than to a great public exhibition.

Canadians interested in the development of trade in both directions, between Canada and Great Britain, will be pleased to know that the Britishers considered the success of the 1925 show to have surpassed all previous years.

WHEAT CROWNS

CANADIANS accept it as a matter of course that wheat from this country should win grand championships at international fairs. It is only occasionally that an American slips under the wire a winner; just often enough to spur Canadians on to keener competition. Choosing the wheat champion is usually a question of picking the Canadian with the best wheat.

Superiority of Canadian wheat for milling purposes has long been recognized. It is not without its unpleasant note, for American flour mills are kept busy milling our hard wheat or mixing it in the milling, with their own.

Superiority of Canadian wheat is frankly admitted by the Food Research Institute of California in its newest wheat study. It says:

> "In a word, American importation of Canadian wheat for domestic consumption over a tariff duty rests fundamentally upon the qualitative superiority of Canadian wheats over most American spring wheats and the fact that Canada regularly produces a large export surplus of high grade milling wheats, which the United States does not."

CANADA AND WORLD'S FOOD

MOST of the estimates made by scientific men from time to time as to the assured time when the world's food supplies would run short have been proven wrong when the fatal days arrived. Canada has helped to leave them unfulfilled.

The late Sir William Crookes in 1898 gave Canada 25 years to reach a maximum of 12 million acres in wheat. Yet in the period since, Canada's wheat area has grown from under 3,000,000 acres to nearly 23,000,000 acres this year.

Sir Daniel Hall, president of the agricultural section of the British Association, this year spoke less pessimistically than many others on the question of the world's food supplies, but nevertheless he was not thoroughly optimistic. He said that new land would be called for year after year to feed the world, and he could not see where the new land was coming from. Intensification of production, in his opinion, would provide the only remedy.

Looked at from the Canadian viewpoint, however, one may question whether sufficient weight is given to the immense potentialities of agricultural development in new lands, and especially in Canada is the conclusion of a writer in the Dominion Bureau of Statistics Agricultural Bulletin. We have seen since the war the practical elimination of the great Russian Empire as a factor in the European food supplies, and Canada has stepped into the breach, for the Dominion is now second if not first amongst the world's wheat-exporting countries. It is true, as Sir Daniel Hall points out, that increased production is mainly dependent upon increase of population; and the increase of wheat production by Canada in the past has been chiefly due to immigration. The Canadian production of wheat can be increased in three directions: (1) extension of the area by the settlement of new lands; (2) increase in the cultivation of areas now occupied but not improved; and (3) intensification, or increase in the average yield per acre by improved methods, including mixed farming, better seed, better varieties, and, where necessary, the application of artificial fertilizers.

But the matter for practical purposes really resolves itself into the questions of price and population. Assuming that the price of wheat remains stable and remunerative, there is abundant room for expansion in Canada even when placing the possibilities of such expansion upon the most conservative basis. It is estimated that there are within the provinces as now constituted at least 300 million acres of land possible of devotion to agriculture (not necessarily wheat), whilst at present less than 60 million acres are under field crops with a population not exceeding 10 millions. Without indulging in any definite predictions of future development, it is easy to realize that there are great potentialities of increased production in Canada alone.

SAVE OUR STOMACHS

THE season of public dinners is upon us, and a frontal attack upon the gastronomic defences of the nation is being launched with all the ammunition of that can be concocted by well meaning chefs and entertainment committees. To the business man or public servant whose duties compel his attendance at numerous banquets, luncheons and dinners, each successive board wrings his soul in torture.

Simple fare is the best fare for public repasts. The annual gathering of a society or the wind-up of a convention should not be made a gala night for cooks and hotel keepers; butchering taste and reason to make their Roman holiday.

The Toronto Club set a good example when they dined the Governor-General the other day. There were four moderate courses only; soup; fish, a small steak and ice cream. Portions were small, tastily prepared and delicately served, but the usual accompaniments of indigestible horrors, that feast the eye and upset the inner man, were missing.

The smaller the dinner, the bigger the menu seems to be the new order of things. It is time to call for mercy upon our stomachs. A feast can be a feast without being a Lucullian orgy and a banquet need not be a massacre.

NOT AFRAID TO INVEST

CLOSE to half a million dollars will probably be spent next year by the cities of the Pacific Northwest to extend the tourist trade, now regarded as one of the region's most profitable industries. The return from this expenditure is expected to be counted in tens of millions.

Puget Sounders and British Columbians Associated, one of the largest tourist and publicity organizations in the district, plans an appropriation of $100,000 itself, which represents a three-to-one increase over last year. Seattle alone will contribute another hundred thousand and most of this money will be spent in such a way as to attract tourists into British Columbia as well as into the northwestern states.

Vancouver and Victoria are arranging their usual advertising compaigns for tourists in addition to the international appropriation, and and these have not yet been decided, but the joint fund will probably approximate $50,000.

As a result of this extensive advertising, effectively supported by the railway and hotel organizations, the Pacific Northwest has become a serious rival, not only of California, but of European resorts, and transportation officials state that vast numbers of people who customarily went abroad for their holidays are now going to the coast instead.

EDITORIAL NOTES

ADD Christmas list suggestions; a bond or a bank book.

* * *

SIMULTANEOUS arrival of Santa Claus in a large number of cities finally breaks our childhood illusions on the subject.

* * *

FIRST snow fall cost street cleaning departments thousands of dollars but put more than that in retailers' cash registers.

* * *

SCORE one for private ownership: It required three frantic calls to get service from a publicly-owned utility in a Canadian city recently and only two calls to get service from a privately-owned utility.

McAuley, Creative Worker in Finance

Less Than Twenty Years Ago Borrowed $500 to Become His Own Boss — Now T. Alfred McAuley Buys Out Companies to Expand Them

By FLOYD S. CHALMERS.

THERE is a new star on the horizon of Canadian finance. This star, curiously enough, rose in the West, although it is now in the East that it shines brightly.

A little over a year ago, we heard that T. A. McAuley had purchased the "Piggly-Wiggly" interests in Eastern Canada. Then we heard of him reorganizing the modest but promising Arnold Brothers' chain of stores in Toronto and giving it capital to expand into an organization big enough to grace the Toronto Stock Exchange with its securities. Only a few weeks ago, McAuley was in the papers again; he had bought a little milk factory at Gananoque and was enlarging it into an industry of prominence.

This week there is more news of McAuley on the tongues of the financial gossips. His latest move is to buy out George and Harry Arnold; now, he and the group of men who have joined him in various of his financial transactions, own practically all of the stock of that company. Five hundred thousand dollars change hands this time; yet there is no public financing. McAuley has command of the money as well as the idea.

Laying down half a million to buy out a group of stores looks like quite a sizeable transaction for a man still in his forties, who came out of college not many years ago with only personality, confidence and ambition as assets. McAuley has been accustomed to talking in hundreds of thousands for most of his business years. His ideas have always been expansive; that they have been practical, too, is shown by the fact that he has not yet had a failure chalked up against his record. In this unbroken record of successes, McAuley has been his own master. He has worked for some one, other than himself for only twelve months in his whole life.

First Job Selling Machinery

The beginning of a career for McAuley was a B.A., from St. Michael's College, Toronto. If it had been a B. Sc., much of McAuley's subsequent history would be more easily understandable, since he worked into finance through selling engineering supplies. The B.A. was merely background, as was his schooling in Trenton, Ontario, where he was born of Scotch-Irish parents and was brought up. Diploma in hand, he went West in 1908 looking for a job. He threw the diploma away, and by concealing the fact that he had a college degree, he was able to get a job with a firm in Calgary, an engineering supply house. He became a salesman. This job, too, was background only, for the next year, in 1909, McAuley organized his own company, first of a series of many companies he has organized. The company he organized was the Canadian Equipment and Supply Company, surely a strange child of a B.A. degree. It sold oil and gas well equipment, mining machinery and other things, all similarly lacking in romantic interest. The next five years saw Calgary in crescendo and diminuendo. There was fair activity in the mining fields nearby and an incipient boom in the oil fields. All in all, it was not a bad time for such a house to be in business. In five years, it grew a $200,000 oak out of the $500 McAuley borrowed from the old merchants bonds of Canada when he started the business. Yet $200,000 was the value of the assets of the firm when it was reorganized in 1914, McAuley selling out to a larger firm, in which he retained an interest. McAuley was in this and a successive firm until 1923, but we do not have to go on until 1923 to find him branching out into other fields.

Back in 1911, Eugene Coste, dean of the natural gas business in Canada, went to Calgary and organized there the Canadian Western Natural Gas Company. British capital helped to build the plant but control remained in Canada. When the enterprise was about a year old McAuley became interested in it and worked with Coste to nurse it through its dangerous early years, when the collapse of the Western boom and the war nearly wrecked it, and to bring it to final success after the war. For four years, McAuley was chairman of the executive committee of the board; was, in fact, until he left the West in 1923.

T. A. McAULEY.

Edmonton followed Calgary on Mr. McAuley's schedule, that city being the scene of his financial chef d'oeuvre—Edmonton's city gas system.

Giving Edmonton Natural Gas

Coste and McAuley were early in the Viking field, talking about putting its natural gas to work cooking

(Continued on page 21)

Book Reviews

Shows "The Way Out

Because he is convinced that this continent is on the threshold of a tremendous business upheaval, as far reaching in its effects as was the industrial revolution, Edward A. Filene, president of the Boston department store which bears his name, has written a book which he fittingly calls, "The Way Out."

To put it briefly, Filene prophesies that North America business is about to enter a period of fierce tooth and-claw competition which will inevitably result in mass production and mass distribution in all branches of business and industry. He further forecasts that business and industry will have to become more democratically organized if we are "to insure a permanently peaceful and profitable future."

There is no beating about the business bush in this book. Edward Filene is frankly dogmatic in his forecasts, which are based upon experience gathered from all parts of the world. To use his own expression, the author of the book is a shopkeeper; but more than that, he is a shopkeeper who has not allowed success in business to interfere with his enthusiasms as a clear-thinking moralist. The book is clearly written and is well stocked with pithy phrases which clearly express the author's mind. His forecast for American business in the next ten or twenty years is characteristic, "Fordize or fail."

It is not to be expected that business men will entirely agree with Filene; (prophets were ever without honor) but to those who would dread the approach of a Fordized business structure "The Way Out" gives an equally emphatic prophecy of hope.

"During the next ten or twenty years we shall come to see that there is nothing necessarily contradictory between successful business and social progress. Success in both will demand the same principles and the same practices. Commercial success and social welfare, in the days ahead, will stem from the same root."

"The Way Out" is published by S. B. Gundy, Toronto, at $1.50.

Stock Market Transactions
Promptitude
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All Stocks All Markets
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Member Toronto Stock Exchange

Canada Steamship Lines
Limited
First and General Mortgage
6% Gold Bonds
(Series A)
Dated Oct. 1st, 1926 Due Oct. 1st, 1941
Price: 98 and accrued interest
to yield over 6.20%

We recommend these bonds for the following reasons:

1. The Canada Steamship Lines Limited is the third largest transportation company in Canada and is considered to be the largest company in the world engaged in fresh-water shipping.
2. The Company's assets are well diversified and in addition to a large fleet of passenger and freight vessels, include valuable passenger and freight terminals, wharves, docks, warehouses, hotels and coal-handling facilities; also a 4,000,000-bushel grain elevator. These assets, together with net current assets, have a sound written down value of about $40,000,000.
3. The additional facilities acquired recently by the Company will be partially reflected in the earnings for this year which are estimated at $3,500,000, after depreciation and other reserves, or over two and one-half times interest requirements on the funded debt of the Company.
4. The management of the Company is in the hands of outstanding men.

Write for descriptive circular.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

IT isn't reasonable to expect a man to plunge without premeditation into a discussion of his Sales and Advertising Plans.

That's why I don't employ canvassers or run around hopefully or aimlessly myself.

If you ask me to call, the way is paved for a clear cut discussion of the subject we're both interested in.

If you can use me and my organization, you will very soon discover it—so shall I.

* * *

1927 is on the horizon, with all its promise. So why not give me a call?

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Telephone: Adelaide 6222
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City of London
5% Bonds
Due 1932-1945

Principal and half-yearly interest payable at the City Treasurer's Office, London, Ontario.

Denomination — $1,000

Assessed Value of Taxation	$71,463,218
Net Debenture Debt	7,367,726

Population 63,339 Area 10 square miles.

London is the fourth city in Ontario as regards both population and importance, ranking next to Toronto, Hamilton and Ottawa. It is the commercial, financial and educational centre of the southwestern portion of the Province. The City is one of the oldest and most substantial cities of Canada.

Price and full particulars on application.

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Investment Securities

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TRANSPORTATION BLDG., — MONTREAL
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GRESHAM HOUSE, OLD BROAD ST. LONDON, E.C.2, ENG.

Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Dominion Textile

What are your views on the common shares of the Dominion Textile Company? I hold some of the stock.

The Dominion Textile Company will grow as the country grows; perhaps a little faster, as it is the dominant producer of textiles in the Dominion. It is under able management, and thus, we believe it is good for a long hold.

Penman's

Is the common stock of Penmans well worth holding?

The past record of Penmans indicates the ability of its management. Today it looks like one of the most attractive textile stocks on the Canadian exchanges. Well worthy of a hold.

Two Power Stocks

What do you think of the common shares of Montreal Power and Shawinigan Water and Power?

For several years, our opinion of Montreal Power and Shawinigan has been that the shareholder can be quite safe in placing these securities in his safety deposit box, and forgetting all about them. Both companies are ably managed, have bright future prospects, and we still believe the stocks to be a good hold.

Dodge Brothers

What do you think of Dodge Bros. preferred, offered at 82?

Dodge Bros. preferred has been quoted the last few days at around 81 and 82. In view of this the stock offered you is reasonably priced.

According to the latest information available, the amount earned above the preferred dividends and all other charges, was $5.55 per share for the first nine months of the current year, or to September 30. The earnings for the full year may be somewhat better than this.

Brompton

Let me have an opinion please on the common shares of the Brompton Pulp and Paper Co.

The action of the common shares of Brompton over the past few years has proved something of a disappointment to many. Its market action in 1927 depends to a large degree upon the market for newsprint in the United States. The market for that commodity at the present time, does not look overly bright. For some years past, the common shares of Brompton have looked like an attractive speculation—an expectation which has not been realized as yet. The company has excellent forest resources, and we still believe that for a three or four year hold, the stock has many attractions in a speculative way.

Bell Telephone

I hold some Bell Telephone shares. In view of the present hearing before the Board of Railway Commissioners do you think I would be wise to sell this part of my investment holdings?

The Bell Telephone Company has given good service to Ontario and Quebec. It has never split its shares nor made exorbitant profits. We believe, therefore, that the government will allow the company to make a fair return on the capital invested. Heavy capital expenditures over the next five years are anticipated, and some of these funds will be realized through the sale of new stock to the present shareholders. Therefore, we believe you would be well advised to hold your Bell Telephone over a term of years.

Dominion Steel

I am a holder of the preference shares of the Dominion Steel Corporation. Would you please outline for me the exact situation which exists in this company?

The British Empire Steel Corporation owns all the common stock and over $2.000,000 of the preference shares of the Dominion Steel Corporation; the latter owns all the common stock of the Dominion Iron and Steel Company and the Dominion Coal Company, together with the common stock of several other subsidiaries.

The Dominion Steel Corporation holds also $3.500.000 income bonds of the Dominion Coal and the same amount of income bonds of the Dominion Iron and Steel. Thus the claims of the Dominion Steel Corporation rank senior to the claims of the preferred shareholders of both of its subsidiary companies.

While there is the possibility that through the non-payment of its bond interest, the Dominion Iron and Steel Company might pass into the hands of the bondholders, yet the Dominion Steel Corporation still controls the Dominion Coal Company. The latter is the fundamental industry in the Besco chain. The coal property is the basis on which the steel industries have been built.

Thus, you will see that in controlling the Dominion Coal Company, the Dominion Steel Corporation is in one way in a more or less satisfactory position, for the Coal Company we believe can always meet its bond interest—provided there are no more labor troubles.

Unfortunately, the Dominion Steel Corporation has guarnteed $4,639.000 of the consolidated mortgage bonds of the Dominion Iron and Steel. so that while it owns an asset in the Dominion Coal Company, it still has a large laibility by reason of this guarantee.

Brazilian Traction

What does the future hold for Brazilian Traction? Does it look attractive?

The attraction of Brazilian lies in the fact that the company has ploughed back into plant over the last few years immense sums. Such capital expenditures must in the long run result in increased earnings. It is an attractive stock, and we believe well worth holding.

Asbestos Corporation

Give me, please, an opinion on the common shares of the Asbestos Corporation.

Asbestos common is, of course, in the speculative class. In view of the position which this company occupies in the world asbestos output, we would say that it has many attractions. The management of the old Asbestos Corporation did much for the shareholders—the same management operates the new company. We believe that over a term of years, the company will show increasing earnings. But it is a long hold proposition.

Ronsdorf Bonds

A client of ours would like to know the revaluation rate of old paper mark bonds issued by the City of Ronsdorf, (Rhine-Province) Germany. I understand that a few of the German States and municipalities have decided to buy up their old paper mark bonds at a fixed schedule of prices for cash. I would appreciate any information you may be able to give us in regards to the City of Ronsdorf bonds. If possible kindly also advise us where the Foreign Securities Investment magazine is published.

There is no revaluation rate for Ronsdorf bonds, available. However, the revaluation scheme (which applies only to bonds acquired prior to July 1, 1920) is being handled through the National City Bank of New York, 60 Wall St., N.Y., and any particulars may be obtained direct from them. We believe that as a general rule the rate of exchange on these securities is at the rate of $12.50 per cent. for each mark 500 gold value. There are several schemes on foot at the present moment for refunding German securities, but we have been unable to get any satisfactory explanation as to what each scheme means. Ever since the Loan Liquidation Debt Law of 1925, various states and municipalities have been taking advantage of the provision to redeem some of their obligations. There is one offer of redemption which expires on November 30, which provides for the holder of German state and mark loans to exchange his holdings for the new redemption loans.

The Foreign Investment Securities magazine is published fortnightly by the Foreign News Distributing Co., 56 Wall St., New York.

Hans Krueger, 42 Broadway, Room 1832, New York City, will supply information regarding the exchange of mark loans of states and municipalities.

Montreal Power

At the moment I have a little ready cash which I should like to put into Montreal Power. I feel, however, that the trend of security prices may be downwards during the next few months and that I might be able to buy the stock at a later date more cheaply.

I have thought of an interim investment in government bonds, but am inexperienced in these matters and doubt whether the final result would be an improvement on an immediate purchase of Montreal Power shares.

Could you give me a few thoughts on this problem?

General economic opinion seems to bear out your opinion that within the next six months, there may be some reaction in the stock market. You could, if you desire, make an interim investment in some gilt-edged bonds, but when all is said and done, you are going to purchase Montreal Power for investment purposes and not for a mere quick turn on the market.

Even pre-supposing that there will be some reaction in the stock market generally, it would probably have but little effect on such high-grade common shares as those of Montreal Power. We believe that it is well nigh impossible to pick the high and the low of the stock market, and therefore, if you are willing to hold on to your Montreal Power Stock for a year or two, we believe that you might be well advised to purchase some of these shares now.

We can see nothing but growth for the city of Montreal over the next few years—such growth must be accompanied by increased earnings for Montreal Light, Heat and Power Consolidated. Even presuming that the stock weakens slightly within the next six months, it would not affect the value of the security as a long term hold. Moreover, there is no certainty whatsoever that it will decline in price—in fact, authoritative opinion believes that the trend will be upward.

As waiting for Montreal Power to react within the next few months is just as much a speculation as waiting for it to go upwards in a month or two, we believe that you would be well advised to purchase the shares now.

An Investment Program

I am a salaried man with a wife and family dependent on me. I have $11,000 in life incurance which is fully paid up. I have $14,000 invested in C.P.R. and Montreal Power, and the balance of my holdings distributed in five or ten share lots in Bell Telephone, Mackay preferred, Laurentide, Spanish River, Abitibi, and Winnipeg Electric. Most of these have advanced in price since I bought them. I hold also one high grade $1000. public utility bond. Do you consider such investments suitable for a man in my position?

From your letter, we judge that you have built up an estate of some $30,000. Of this, about $20.000 is invested either in public utility stock or in newsprint stocks.

Of your total security holdings of $20.000. $14.000 has gone into C.P.R. or Montreal Power. We most certainly hesitate to advise you to dispose of any of your Montreal Power holdings, because in our opinion, you will obtain still further market appreciation over the next few years.

Also, if you believe that Canada will continue to grow, it seems to us that the earnings of the Canadian Pacific Railway will also increase with the growth of the country. But on the other hand, you must remember that C.P.R. is fundamentally a grain road, and its earnings vary with the extent of the grain crop in the West.

We ourselves believe that C.P.R. shares over the next few years will appreciate—but as diversification is one of the primary requisites in investment, perhaps you might be well advised to sell some of this C.P.R.

The Bell Telephone Company has never made exorbitant profits, nor has it ever split its stock. Thus, we believe that over a term of years, the government will allow the company to so adjust its tariffs that the present dividend rate will be maintained. If this be so, we believe that the stock is a hold, for from time to time, new rights will be issued to the shareholders.

Your Mackay preferred is a nice investment stock. As the general trend seems to indicate over the next few years, declining interest yields, this stock may show some market appreciation. Of course it would be slight.

Your Winnipeg Electric common stock is perhaps your most speculative holding—but it is an attractive one for a long hold. Next year, the company will sell a largely increased amount of power, and as Winnpeg is the real capital of the prairies, we believe that over a term of years, it will show a growth. The earnings of the company should increase with the growth of the city. Therefore, we believe the stock is a hold.

You have picked three excellent newsprint stocks. Taken over a term of years, we believe that these stocks will show an appreciation. It seems to us through that in 1927 there is the possibility of some market reaction in the newsprint growth. Of course, the market for these stocks depends solely upon one thing. Namely, the demand for newsprint in the United States. New mills have been coming into production very rapidly of late, and there are at least some who feel that there will be some slowing up in the industry during the coming year. This is a factor which gives the speculative touch to the newsprint common stocks. The three which you hold all look excellent over the next few years, but you must be prepared to keep them for a long hold. If you cannot do this, we would suggest that you sell the securities. What indications we have seen point to the fact that the newsprint stocks would be a better sale to-day than six months hence. However, this is all guess work, for the newsprint demand in the United States may increase just as much in 1927 as it has done in 1926.

The securities which you hold are all excellent, but in our opinion, you would be well advised to diversify your holdings some more. You already have about one third of your total assets in a gilt edged form, namely insurance, so that larger holdings of bonds are in a measure unnecessary. You could well afford to invest some funds in other sound stocks such as Shawinigan which are ably managed and which give every indication of appreciating over a term of years. For a higher yield you might be interested in the shares of Montreal Tramways.

If you decide upon further diversification, confine yourself to companies such as you have picked already; namely, those in a sound financial position and which operate under able management.

Pacific Steel Boilers

I have been recommended by a New York broker to buy Pacific Steel Boiler stock for an advance. What is your opinion?

We do not closely follow American securities and do not attempt to give an advisory service in regard to them. Any comments we would make therefore on Pacific Steel Boilers Corporation would be very brief.

Apparently this is a small company not yet thoroughly seasoned and established but it is in the period of fairly rapid expansion of sales and plant. Prospects would seem to be good for increase in earnings as forecast by this brokerage house and no doubt the dividend yield is assured for some time to come, but the company is not yet out of the speculative stage and in purchasing the stock you are doing a certain amount of gambling.

It looks like an interesting speculation but beyond that we would not like to go.

Will Securities Advance?

What factors are most likely to affect security prices in 1927?

The Greenshields Review, now in the fifteenth year of publication, presents in the December issue a summary of conditions which is important to any investor. A copy will be sent on request.

Write to Dept. 4

Greenshields & Co

Members Montreal Stock Exchange

17 St. John St., Montreal
also Mount Royal Hotel Building

TORONTO
14 King Street E.

OTTAWA
46 Elgin Street

QUEBEC
80 St. Peter Street

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POST-Scripts

THE recent coal strike in England was not without its humorous touches. The gas companies, which reported huge increases in sales of gas, were also the distributors of coke. So great was the demand that one of the large gas companies decided humanely that, whenever possible, mothers with babies should not be sent from the gas plant without giving them at least a portion of the coke they asked for.

The greatest borrowing of babies in the history of the English nation followed. At least there is no previous record of people being so willing to "take care of the baby for a few minutes." In fact, women who were not blessed with young babies were anxious to borrow their neighbor's offspring for a few hours. As the gas company could not afford to hire an investigating staff to take the fingerprints of the babies, so that people could not take unfair advantage of their offer, they were forced to modify their announcement that preference would be given to mothers.

HAVING suffered much from street car conductors who call out such phrases as "Phzxc" or "Xquvw" when they approach a street corner, the Post-Scribe commends the B. C. Electric Employees' Magazine for the following:

> It is occasionally brought to our notice that conductors do not call out the name of the streets for the benefit of passengers, but it is not often that we get written comments on the way in which the men pronounce the names of the streets.
>
> In the case of considerable of our streets, great care has to be taken if it is desired to have the name heard properly.
>
> Here is a list of some of the streets of Vancouver, their name, proper pronunciation and the way in which some conductors call them out:
>
> | Name | Proper Pronunciation | As called by some Conductors |
> |---|---|---|
> | Kitsilano | Kit-si-la'-no | Kit-sa-line-o |
> | Yukon | Yew-kon | Yuckin |
> | Dunsmuir | Duns-mu-ir | Dunsm'r |
> | Helmcken | Helm-ken | Hell-me-ken |
> | Burrard | Bur-rard | Bur-r-r-d |
> | Bute | Bute | B-yitt |
> | Jervis | Jar-vis | Jeervus |
> | Broughton | Brow'-ton | Brutton |
> | Nicola | Ni-co-la | Nickla |
> | Cardero | Car-de'-ro | Kadeera |
> | Comox | Co'-mox | Cummox' |
>
> It is just possible that conductors may be calling out the streets all right, but if the name is called out when the car is just starting up, the name may not be heard correctly, and possibly not at all. The easiest way to overcome this is for conductors to call out the name of the next street just as soon as the gates are closed and before the car starts up. This will do away with the possibility of names not being heard, and it is quite likely the names will be more distinguishable to the passengers.

January Investments

With the large January investment interest and dividend payments in close prospect, it is the wish of investors to select sound and profitable securities for the reinvestment of available funds.

We specially recommend the purchase of the following well-diversified Bonds and Preferred Shares from our list of current offerings:—

GOVERNMENT AND MUNICIPAL	Yield About %
Dominion, Victory, War Loan & Refunding Bonds, all issues	....
Dominion of Canada Guaranteeing C.N.R. 5's, 1954	4.85
City & County of Saint John, N.B. 5's, 1928-32	4.95
City of Vancouver, B.C. 4½'s, 1933	5.00
Town of Campbellton, N.B. School 5's, 1946	4.87
PUBLIC UTILITY	
International Power 7% First Preferred, carrying one share Common with each share Preferred	7.00
Montreal Light, Heat & Power 1st Refunding 5's, 1951	5.00
Newfoundland Light & Power 1st Mtge. 5½'s, 949	6.25
Ottawa Traction 1st Mtge. & Coll. Trust 5½'s, .955	5.40
INDUSTRIAL, ETC.	
Acadia Sugar Refining 1st Mtge. 6's, 1946	6.35
Alberta Pacific Grain 1st Mtge. 6's, 1946	6.15
Alberta Pacific Grain 7% Preferred	7.95
Canada Steamship 1st & Gen. Mtge. 6's, 1941	6.20
Canadian Salt 1st Mortgage 6's, 1946	5.75
Famous Players Can. 1st & Gen. Mtge. 6½'s, 1943	6.40
Fraser Companies 7% Preferred	7.11
International Paper 6% Debentures, 1941	6.20
London Realty 1st Mtge. 6½'s, 1941	6.65
St. Catherine-Stanley Realty 1st Mtge. 6½'s, 1946	6.60

Reservations of these and other securities will be gladly made on request. Information and quotations given free of charge.

Royal Securities Corporation
Limited
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec Winnipeg Vancouver New York

December Bond List

This List offers a wide selection of Government, Municipal and Corporation Bonds. Interest returns range from 4.75% to 6.50%.

Copy will be gladly furnished upon request.

Wood, Gundy & Company
Limited

Toronto
Winnipeg
London, Ont.

36 King Street West
Toronto
Telephone: Elgin 4321

Montreal
New York
London, Eng.

THE NATIONAL CITY COMPANY CANADA

Canada Steamship Lines

6% First and General Mortgage Bonds
Due October 1, 1941

Principal and semi-annual interest (April 1 and October 1) payable at the option of the holder in New York, Montreal, Toronto or London (at parity of exchange) in gold. Coupon bonds in denominations of $500 and $1000, registerable as to principal only in New York and Montreal.

Canada Steamship Lines Limited is the greatest inland-water transportation system in the world. With its fleet of 109 vessels, its passenger and freight terminals, docks, warehouses, hotels and coal-handling facilities it is completely equipped to handle, in addition to passengers, bulk and package freight of all kinds.

The Company's securities ranking junior to this issue have a present market value in excess of $15,000,000.

Price at market to yield over 6.20%

Upon request we will forward a circular giving full particulars of this issue, and also the December edition of our monthly publication "Investment Securities," containing a complete list of our current recommendations.

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC

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Fascinating, Profitable is Investment Banking

J. H. Gundy Tells University Students What Type of Career is Afforded by Bond Business — Only Want Reliable Men

"Take for granted the fact that my enthusiasm for investment banking has prejudiced me in its favor, and I will attempt to outline the possibilities of investment banking from the viewpoint of the university graduate." J. H. Gundy, of Wood, Gundy & Co., who gave the concluding lecture to students in Commerce and Finance at the University of Toronto, last week, took as his subject the theme: "Investment banking as a field of employment for university graduates." Mr. Gundy said, in part:

"This subject should be of great interest to all of you because investment banking is of vital importance to our country. Without the activity of the investment banker this country cannot progress, either industrially or municipally. There is no question about the future of Canada, but the great question that you will be called upon to solve is, whether or not the future leadership of Canada is to be in the hands of Canadians. We have not to look far to-day to find countries such as Brazil, the Argentine, and Mexico, which are being developed under foreign leadership, and even the United States was largely developed by Great Britain.

Thus because of the experience of other countries, there is the possibility that leadership in industry or in municipal development in Canada will be foreign and not Canadian.

"It is absolutely impossible for any of us to conceive the amount of capital that will be required in Canada in the next few years. This capital will be provided either by us, by England, or by the United States, and it is at once apparent that many Canadians must enter the field of investment banking if this leadership is to be kept Canadian. The groundwork of Canadian financing has been done at great expense and it is up to you who have both ability and the training, to bear the load and give the leadership that will be required.

An Intensely Interesting Career

"Investment banking is an intensely interesting career. A young man must chose an interesting career for himself and this is the most fascinating game in the world. In the field of investment banking, one comes into contact with the leaders of finance and industry and with the leading activities of the country of the country. There are no important people in the country—whether it be in the field of banking, insurance or industry—with whom the investment banker does not make contact, and it is these contacts that make for growth both in ideas and in intellect. Nothing astonishes me more than the differences in type that one finds by studying the people with whom one comes into contact—the ignorant—the clever—the dull—the shrewd. Investment banking puts one in contact with a cross-section of the country which is simply fascinating.

Watching Town Grow

"From another viewpoint, the field of investment banking has interests which touch a tremendous number of phases of the country's life and activity. I got off the train some time ago at a town in Western Canada. While I was waiting for the train to start I looked around with considerable pride at this place, which was really the one of my family. I had watched the town grow from babyhood, from the time when it had difficulty in raising a $25,000 loan, until the present, when its financing runs into hundreds of thousands of dollars. Whenever I get a cigarette box I tear it apart to see what kind of paper it is made from and I wonder where it came from and who made it. Why do I do this? Because, as an investment banker, I am interested in paper. If you were investment bankers you would be interested in every form of industry, cotton, silk, paper; not only because they were interesting in themselves, but because it was your duty to be interested in them. In other words, an investment banker is doing the things he wants to do. With the pressing and ever-changing needs of investment banking there is never a lack of interest.

"I invite you to be investment bankers because it is a difficult job. It is the diffculties, the striving and the contacts that make it fascinating. No tariff protects us. Money flows freely and although he may be your friend, every other investment banker is also your enemy. In the investment banking game there is the keenest of keen competition. You survive only because you are strong.

Is Profitable Business

"Then again this business is a profitable business. When a man chooses a career, he owes it to himself to choose one which will give his family a decent home and education. Add then to its usefulness and the fact that it is interesting and difficult enough to bring out the best that is in you, the fact that there is a profitable side of this profession. Great names in all countries have been investment bankers, the Morgans and the Rothchilds are but examples of a great number of outstanding men who have succeeded in this profession. No one knows what kind of a country Canada will be by the time you men take your place. There will undoubtedly be tremendous opportunities for profit—great prizes for the keen, well-trained man with character.

"One of the most remarkable features of investment banking is the fact that it can be done on a remarkably small amount of capital. It is perfectly astonishing the small amount of capital that is necessary to carry on the business of investment banking. This fact, plus the fact that it demands business training and education, recommend it very strongly for your consideration. Of course, there are people who are unfitted for the business, but if you should find yourself in this class it need be no reflection on yourself. However, get out quickly if you don't want to work hard. Lazy people are useless in investment banking, so if you are inclined to be lazy, get a job where you don't have to work hard.

No Place for Unreliable Man

"An unreliable man cannot get along in investment banking. The house, or the individual in investment banking, who is unreliable, is bound to fail. The whole trade is based on understanding and trust. I have seen boys run in and toss $200 000 worth of bonds on the counter and leave without getting a receipt of any kind. The investment banker won't deal with those he doesn't trust and with those he does trust he doesn't need a receipt.

"Let me refer to what I might call 'the student type.' There are men of this sort in our profession, but they are not investment bankers. Perhaps they might fit in as assistants or on the legal end, but the investment banker is a trader, a keen trader; that is the ideal type. Of course, the student type is invaluable, but the instinctive student should not choose investment banking as a career; he is so much in demand elsewhere. Of course, we have the type in investment banking, and they are extremely valuable men, but they co-operate, they do not lead.

Imagination Called Essential

"A man must have imagination in

(Continued on Page 13)

News of Investment Markets

STILL SIZEABLE GAINS RECORDED IN BOND MARKET

Canada Steamship Bonds Marked Up Point by Syndicate

Strength in the bond market has held and prospects are very apparent now for a continued good demand for this type of security.

Two events this week were indicators of the excellent position of the market. The syndicate, managing the distribution of the $18,000,000 issue of Canada Steamships bonds, marked the offering price up one point; from 97 and to 98, which will be the price to investors until complete distribution has been achieved. That there are further bonds to be finally placed in the hands of the investment public is stated to be the case. Some of the banks that took large participations in the issue are now said to be ready to take a profit on their share and turn them over for sale to smaller investors.

The second event of significance was the sale of $3,000,000 of province of Manitoba bonds at a price that has not been received by that province in twelve years. Bonds were bought on a basis of 4.90 per cent. It was thought that the previous' transaction with Saskatchewan, when bonds were bought on a 4.95 per cent. basis, just about touched the peak but the present sale went that basis one better.

New York demand for high grade Canadian issues is still keen and further complicates the situation in Canada, where there are not enough good bonds to fill all demands.

Impressive gains have been made by bonds which have recently reached new high average prices for the year.

Viewpoint on Canadian Market

Wood, Gundy & Co., size up the Canadian food market as follows:

The last week of November and the first days of December have witnessed an unusually keen demand for high-grade bonds, more particularly for government and municipal securities. This strong demand is due, of course, to several factors, but principally to the following:

"(a) The increased amounts available for investment—as witnessed by the increase of approximately $67,000,000 in savings banks deposits during the last year.

"(b) The volume of new issues of government and municipal bonds during the first eleven months of 1926 decreased by more than $75,000,000, compared with the corresponding period in 1925.

"(c) During December, 1925, approximately $23,000,000 of new issues were offered, while a substantially smaller amount is in sight for the remainder of the present year.

"Late in 1923, 1924 and 1925, Dominion government refunding loans aggregating $544,000,000 offered a channel for investment of autumn funds. The absence of a Dominion Government loan this year has diverted such funds either into other new issues, which have been few in number, or into existing issues and the demand for both has been so strong as to materially strengthen the level of prices. The strong market prevailing in United States also has had the effect of attracting Canadian bonds to that market which has further reduced the available supply in Canada."

Grouse Mountain Hotel Bonds Offered at 6.60%

Royal Financial Corporation report a good reception to their issue of bonds of Grouse Mountain Hotel and Scenic Resort, offered December 1.

$250,000
Grouse Mountain Highway and Scenic Resort
6½% first closed mortgage bonds.

Dated Dec., 1926 Due Dec. 1, 1946

Capitalization—	Authorized	Issued
First mortgage bonds....	$250 000	$250,000
7% participating pref. shs.	450,000	293,601
Ordinary shares	300,000	130.005

Directors—President, W. C. Shelly; vice-president, W. R. W. McIntosh; M. H. Leggat, R. I. McDougall, Donald McLeod, A. S. Williamson.

Company—Owns highway to top of Grouse Mountain opposite Vancouver and scenic resort thereon.

Assets—Work cost over $600,000. Fixed assets as at Oct. 16 last stood at $513,457 and cash $232,978 less liabilities of $111,812.

Earnings—Estimate 100,000 cars to enter at $1.50 each.

Sinking fund—$12,500 yearly.

Offered—December, 1926, by Royal Financial Corporation, 84 Hastings Street W., Vancouver, B.C. Price 6.60%.

RUSSELL D. BELL.
New Chairman, I.B.A.A., Canadian Section

Investment Bankers Elect Heads of Canadian Group

From Our Own Correspondent

MONTREAL.—The Canadian group of the Investment Bankers Association of America has elected Russell D. Bell as chairman for the coming year. Mr. Bell is a partner in Greenshields and Company and has served for a number of years as a member of the public service securities committee of the association. He is also past president of the Investment Bankers Association of Canada.

Charles E. Abbs of A. E. Ames and Company has been elected vice-chairman, and E. Gerald Hanson of Hanson Brothers has been elected secretary of the Canadian group.

The members of the executive committee are as follows: J. A. Eccles, Harris, Forbes & Co., Ltd.; J. H. Gundy, Wood, Gundy & Co.; Howard Murray, Aldred & Co., Limited; J. A. Fraser, Dominion Securities Corpn., Ltd., and R. A. Daly, R. A. Daly & Co.

Laura Secord Issue Meets Early Over-Subscription

Heavy over-subscription of an issue of preferred shares of Laura Secord Candy Shops show what the combination of a popular name and a syndicate of two leading investment houses can accomplish.

A. E. Ames and Co. and Dominion Securities Corporation are offering jointly an issue of $750,000 of 7 per cent. cumulative sinking fund convertible preference stock, par value $100. of the Laura Secord Candy Shops, Limited. The price to the public is $100 per share, yielding 7 per cent. The conversion privilege is an interesting feature of the issue, as it provides that the holders of the preferred will have the right to convert each share of preferred into three shares of no par common stock of the company. The company, which is well known to the public, has a capitalization of $750,000 preferred and 35,000 shares of no par common. Application will be made in due course for the listing of the two issues on the Toronto Stock Exchange, and it is probable that until arrangements have been completed the issues will be afforded trading privileges in the unlisted department.

$750,000
LAURA SECORD CANDY SHOPS
7% Cumulative Convertible Sinking Fund Preference Stock.
(Par value $100 a share).

Property and Business—Laura Secord Candy Shops is purchasnig the business of Laura Secord Confections, and will continue the operation of a chain of fifty-seven retail candy shops located in the Provinces of Ontario and Quebec.

Assets—Fixed assets, $646,998, and net assets $257,465. Total $904,463.

Earnings—For year to Sept. 30, 1926, $150,568.

Sinking Fund—Beginning December, 1927, 20 per cent. of net earnings yearly after preferred dividends.

Convertibility—Convertible at the option of the holder into no par value common stock on the basis of one share of preference stock for three shares no par value common stock until called for redemption.

Offered—December, 1926, by A. E. Ames & Co., and Dominion Securities Corporation.
Price par, to yield 7 per cent.

Two Million Dollar Apartment for Toronto

A two-million-dollar apartment hotel, to be built at the corner of Avenue Road and Bloor Streets, Toronto, will be financed by a bond issue. Ramsay Stewart & Co., Toronto, will offer the bonds.

The building will be known as Queen's Park Plaza and there will be offices in the ground floor with professional offices and family apartments above.

Corporation Financing
Industrial Expansion
Inquiries Invited
W. R. WILSON, President
Dominion Financial Corporation, Limited
232 St. James St., Montreal

W. E. Paton & Company, Ltd.
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SHERBROOKE, QUE.

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GARDINER GOES TO WEST TO SELL B.C. FISH TO U.S. FIRM

California Packing is in Market for Large Canadian Company

P. R. Gardiner, the bright young broker who was behind the recent speculative climb of British Columbia fishing and who was elected to the board of the company, left his Toronto office Wednesday night for British Columbia and California with the object of selling B.C. Fish to the California Packing Corp.

Mr. Gardiner, Wednesday, was in lengthy conference with large shareholders of the company and could not be seen to get a statement as to what it proposed to do with the Canadian fishing and packing company. Aemilius Jarvis, Sr., president, is in Europe for the purpose of developing new markets for British Columbia salmon.

California Packing Corp. boasts that it is the largest concern of its kind in the world. It packs and markets a number of trade-marked fruits and controls the Alaska Association. The company's profits after expenses and taxes in its fiscal year 1926 totaled $5,745,541. The surplus for the year was $2,851,249, or on the basis of $12.36 the share. The earnings have been about on this basis for a number of years, except in 1922, when they dropped to $4.75 the share.

FASCINATING AND PROFITABLE IS INVESTMENT BANKING

(Continued from Page 12)

investment banking. He must be able to see the country's future, and to weigh the significance of this or that project over the long period. The investment banker must see visions, must dream dreams, and then make those dreams become facts—railways, industries and cities. The investment banker must have courage. There are two ways that a man can go broke in investment banking. One is by caution, which means you die slowly, and the other is by courage, which means you either make or break yourself. Each day presents great responsibilities to the investment banker, who must continually back his own judgment.

"The investment banker must have experience. While you can carry on with a small amount of capital, you must have a connection and a wide experience. For this reason, I think it advisable for a young man to associate himself with an organization which will give him contact with the profession and its leaders. I know very unfortunate examples, where men with courage, ability and imagination have made most deplorable errors because they lacked the training and experience which only a well-established organization can give.

Choose Your Institution

"If you decide to enter the field of investment banking, because Canada needs her own investment bankers, or if you join us because you want to be in an interesting profession, or a profitable one, then pick your institution! Get into the livest organization you can find, no matter what they pay you, and get the benefit of their experience. Then when you have done that, prepare to grind. You have got to do the drudgery; keep plugging at it hard until one day you wake up to find that you have acquired something that will be of inestimable value to you—knowledge! The ability to judge soundness! It takes years to develop the ability to decide whether or not a thing is sound; but anyone who is willing to make himself useful will soon find that those who have the knowledge are only too glad to put their experience at your disposal.

"This country has successfully survived a very trying war period and has mastered many of the problems which centre around her railways, grain, and agricultural difficulties. The people of the world are once again turning to Canada and our potentialities are almost impossible to imagine. Savings will be gathered and concentrated in our hands to open up resources which, as yet, have scarcely been scratched. Courage and leadership will be needed on the part of those who are entrusted with a task which is eminently worthy of accomplishment."

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft Erie Bdge 7s '55	107	108
Do. 8s '45	107	108½
Buff Gen Elec 1st 5s '39	103	..
Do. ref. 5s. '39	102¾	..
Bfo N & E Pow 5s '30	99½	100½
Lockport L H & P 5½s '54 ..	102	104
Niag Falls Pow ref. 6s '32 ...	105	106
Do. 1st & con 6s 1950	105¼	106¼
STOCKS		
Buff Niag & E Pow	29	30
Do. pf.	25½	26
Niagara Falls Pow. pf.	28¼	29
Niag. Lock & Ont. pf.........	113	114½
Shredded Wheat, new	57	58½

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Tenders and By-laws

Dec. 13, Mimico.—$152,615, 5 per cent., 10, 15, 20 and 30-year debentures. H. B. Foreman, Treas.

Dec. 14, Chippawa.—$11,000, 5½ per cent., 20-instal. debentures. J. G. H. Young, Clerk.

Dec. 17, County of Brant.—$40,000, 5 per cent. debentures, due 1927 to 1941. A. E. Watts, County Treas., Court House, Brantford. (See announcement on page 16).

This Week's Bond Sales

Niagara Falls Issue

An issue of $87,098, City of Niagara Falls, hydro and sewer debentures, has been awarded to A. E. Ames & Co, at a price of 99.20.

Manitoba Sells Bonds

Wood, Gundy & Co., have been awarded an issue of $2,800,000 Province of Manitoba 4½ per cent., 30-year bonds at a price of 93.75. The issue will refund part of the maturities of Dec. 1.

Township of York

The Township of York sold an issue of $1,751,594 5 per cent. bonds, maturing in 5, 10, 20, 25 and 30-year instalments, to Wood, Gundy & Co. at 99.70. A syndicate composed of C. H. Burgess & Co., Aird-McLeod, and Macneill, Graham & Co., bid 99.34, while another syndicate of McLeod, Young, Weir & Co., Bell-Gouinlock, and Matthews & Co., bid 98.91.

Township of Sandwich

The Township of Sandwich East recently disposed of $150,000 5½ per cent. ten and twenty-year local improvement debentures. Several firms were invited to bid for approximately $350,000 of bonds, and although bids were received for the entire amount the Council ultimately decided to award only a portion of the bonds at the higher price with an option on the balance to Carruthers & Co., of Wind-

City of Fort William

The City of Fort William awarded an issue of $340,000 5 per cent. bonds. Fry, Mills, Spence and Company bought the block of $250,000 5 per cent. bonds maturing in 1957 at 99.09, while the Bank of Commerce were successful in the other block of $95,000 5 per cent. at 98.22. Bids on the $250,000 issue were:

Fry, Mills, Spence & Co.	99.09
Wood, Gundy & Co.	98.65
Royal Securities Corp.	98.03
A. E. Ames & Co.	97.53

Outremont School Bonds

Rene T. Lerclerc, Inc., of Montreal, with a bid of 99.30, has been awarded the City of Outremont School Commission bond issue of $45,000, bearing interest at 5 per cent., and maturing serially from 1926 to 1946. The bids were:

Rene T. Leclerc Inc.	99.30
Credit Anglo-Francais	99.09
Versailles, Vidricaire, Boulais	99.07
Ernest Savard	99.02
Dominion Securities Corp.	98.92
L. G. Beaubien and Co.	98.85
Mead and Co.	98.63

Smith's Falls Issue

An issue of $45,484 Town of Smith's Falls, 5 per cent., 20-instalment local improvement debentures has been awarded to R. A. Daly & Co., at 98.81. Following are the bids:

R. A. Daly & Co.	98.81
Bell, Gouinlock & Co.	98.75
W. T. Shannon & Co.	98.55
C. H. Burgess & Co.	98.46
Wood, Gundy & Co.	98.35
McLeod, Young, Weir & Co.	98.28
Dyment, Anderson & Co.	98.28

Town of Arnprior

H. C. Monk & Co. of Ottawa, were the successful tenderers for an issue of $31,527, 5 per cent. bonds, maturing in 1941, at 99.55 of the town of Arnprior. The tenders follow:—

H. C. Monk & Co.	99.55
A. E. Ames & Co.	99.17
Dominion Bank	99.11
R. A. Daly & Co.	99.08
C. H. Burgess & Co.	98.81
Macneill, Graham & Co.	98.77
McLeod, Young, Weir & Co.	98.68
Gairdner & Co.	98.63
Bell, Gouinlock & Co.	98.63
Royal Securities Corp.	98.41
Wood, Gundy & Co.	98.35
Dyment, Anderson & Co.	98.21

Bits About Bonds

"Recent statistics show that at the age of 75 fewer men have at least $100, than at the age of 25—notwithstanding they have had 50 years in which to accumulate," says Eastern Securities Company.

"An annual investment of $1,000 for 25 years, with interest compounded semi-annually at 5 per cent., amounts to $50,577.60; with interest at 6 per cent., $58,949.10; thus establishing a permanent income."

"Our life insurance companies are recognized as being among our most successful institutions. They have built up their large surplus accounts by careful investing. The policies adopted by such institutions are consequently of interest to all investors," say R. F. Daly & Co., Toronto.

"In 1881 the security investments of Canadian insurance companies consisted of approximately 92 per cent. government, provincial and municipal bonds, the remaining 8 per cent. representing corporation securities. To-day the percentages are approximately as follows: corporation securities 45 per cent.; municipal and foreign bonds 40 per cent.; Dominion and provincial bonds 15 per cent.

"The trend is definitely away from government bonds and toward corporation securities. In following this policy the insurance companies have increased the return on their investments very materially.

"The average investor would be well advised to apply the principle followed by these institutions to his own investments."

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Peace River to the Fore

Peace River problems will receive early attention in the Alberta legislature when the session opens, since Hugh Allen, U. F. A. member for Peace River, has been selected to move the reply to the Speech from the Throne. G. B Walker, U. F. A. member for Claresholm, will second the reply.

The number of automobiles licensed in Alberta in the year's first ten months totalled 64,000, according to the figures of the deputy provincial secretary. This adds 11,000 to last year's total.

Unlisted Bonds

Abitibi P. & P. 6s 1940	104	105
Algoma Steel 5s 1962.........	28½	30
Anticosti Corp. 6½s 1941	102¼	103½
Algfoma Steel 5s 1962	28½	30
Belco Can. Paper 6s 1943	101⅞	102¾
Brandram Henderson 6s 1939 ...	85	88
Brompton P. & P. 6s 1946	97¾	99
Burns, P. & Co. 6½s 1943	103	104
Calgary Brewery 5s 1942	86½	88
Calgary Power 5s 1940	89	90
Canada Biscuit 6½s 1946	100	100⅝
Canada Lt. & Pr. 5s 1949	89	90¼
Can. Car & Fdry 6s 1939	103¼	104¼
Can. Nor. Power 6½s 1941	100	101½
Can. Steamship 5s 1943	96	97
Can. Steamship 6s 1941	95¾	96¾
Can. Salt 6s 1946	101¼	103
Can. Steel Fndry 6s 1936	103¼	105
Cedar Rapids 5s 1953	99½	100½
Davis, Wm. 6s 1942	93¼	94¼
Dominion Iron 5s 1939	29	32
Dom. Power & Tr. 5s 1932	96⅝	97½
Dominion Textile 6s 1949	106½	108
Duke-Price Pr. 6s 1966	103¾	104¾
East Kootenay Pr. 7s 1942	104	105¼
Elev. Development 5s 1933	99¾	100⅝
Fraser Co. 6s 1950	97	98½
Gatineau Power 5s 1956	94¾	95¾
Howard Smith P. & P. 7s 1941..	102¾	103½
International Paper 6s 1955	99¼	100½
Jamaica Pub. Serv. 6½ 1943 ...	102¼	103¼
Kaministiquia Pr. 5½s 1950....	99¾	101
King Edward Hotel 7s 1944......	92	94
Lake Superior P. & P. 6s 1941 ...	105½	107½
Laurentian Pr. 6s 1936	100¾	102
Laurentide Pr. 5½s 1946	101½	102½
Maple Leaf Mfg. 6½s 1943	103½	104½
Maritime Tel. & Tel. 6s 1941...	103½	105
Manitoba Pr. 5½s 1951	97¼	98¼
Mattagami P. & P. 7s 1949	60	64
Mercury Mills 6½s 1943	100¼	101¼
Mont. L. H. & Pr. 5s 1951	99¼	99¾
Mont. Pub. Service 5s 1942	97¼	98¼
Nor. Can. Pr. 6s 1945	100¼	101½
Nor. Ont. L. & P. 6s 1946	100½	101½
Nor. West. Utilities 7s 1938 ...	99	100½
Nova Scotia Steel 5s 1959	57	61
Nova Scotia Steel 6% Debs. ...	29	32
Nova Scotia Tram. 5s 1946	89	90½
Nova Scotia Tram. 7s 1952	97	99
Ont. Pulp & Paper 6s 1931	108	109
Ottawa Gas 6s 1939	102¾	103½
Ottawa Hull Pr. 6s 1948	103	104½
Ottawa L. H. & Pr. 6s 1953....	104	105½
Ottawa Mont. Pr. 6½s 1949......	102¼	103
Ottawa Riv. Pr. 6½s 1953	102¼	103
Ottawa Trac. 5½s 1955	100	101
Port Alfred P. & P. 6½s 1943 ...	101¼	102¾
Price Bros. 6s 1943	103	104¼
Prov. Lt. & Pr. 5s 1946	100⅛	101½
Page Hersey 6s 1946	101¼	102¼
Quebec Pr. 6s 1953	105	106¾
St. Lawrence Paper 6s 1946	97¼	98¾
St. Maurice Pr. 6½s 1953	107½	[illegible]
St Maurice Valley 6s 1945	99	100½
Shawinigan W. & P. 6s 1950 ...	104	106
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	101¼	102¾
Southern Can. Pr. 5s 1955	97¼	98¼
Spanish River P. & P. 6s 1931...	108	109½
Spanish River P. & P. 8s 1941....	106	108
Walmsley, Chas. 6s 1943	91	95
West Kootenay Pr. 6s 1943	103¼	104¼
West Pr. of Can. 5s 1949	96¼	97½
Winnipeg Elec. 6s 1954	99	100
Winnipeg Elec. 5s 1935	97	98½

Other People's Views

The Tax Load is too Heavy

Reporter, Galt, Ont.: The United Boards of Trade of Ontario have passed resolutions urging the Dominion government to reduce the income tax to the level of that levied by the United States government and to revise the corporation tax legislation so that the element of duplicated imposts may be removed.

Canadians ought not to be compelled to pay higher taxes than Americans. No matter what excuses are put forward by the government for the imposts, this country cannot compete in business with its neighbor while its people are shackled to the millstone of excessive taxes. The finest service that a government can do this country is to adjust the taxation so that business may realize that if it becomes prosperous it will not have its profits confiscated in order to pay the expenses of government.

Last year, the Hon. Mr. Robb, minister of finance, succeeded in making certain cuts in taxation that proved a relief to those in the lower rungs of the taxation ladder and the government is to be commended for that. It was a move in the right direction. But a new feature was introduced, namely, the taxing of dividends from Canadian corporations. This money has already paid the corporation tax. How will it be possible to induce people to invest money in Canadian enterprises when they know that their earnings, if there should be any, will be thus doubly taxed by the tax collector.

If that tax is continued there is sure to be an increased activity in the investment of Canadian funds in United States enterprises. That movement has already reached enormous proportions and the trend toward American investments is startling. The people who are putting their money to work in a foreign country cannot be blamed. They have a right to do the best for themselves. The government of this country can induce much of this capital to come back if it adopts the attitude that an alert business man would under parallel circumstances.

NATIONAL CITY CAPITAL UP

MONTREAL.—The National City Bank of New York, which is affiliated the National City Company and the National City Company, Limited, is to increase its issued capital stock from $50,000,000 to $75,000.00 by the issuance of new stock to its present shareholders at $200 per share. Half the proceeds will be used to increase the capital stock of the bank and the other half will be applied to the National City Company.

RAILWAY EARNINGS

	Canadian Pacific		
Week end.	1926	1925	Change
Nov. 30	$6,393,000	$5,845,000	+$548,000
	Canadian National		
Week end.	1926	1925	Change

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MONTREAL

BOND MOVEMENTS OF THE WEEK

Week Ending December 7

Bonds—	Int. Rate	Due	Yield	Range. 1925 High	1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos g. mtge. ...	6	1956	6.95	.....	..	88	81¾	88	87½	88	87
Do. 1st mtge.	6	1941	6.02	.....	..	99¾	96¼	99¾	99¼	99¾	99¼
Canada Cement	6	1929	5.18	103	100	102¼	100½	102¾	101⅜	102¼	102
Can. Canners	6	1950	6.24	96½	90	100	94	97½	96½	97	...
Can. Cottons	5	1940	5.30	96	91½	97¾	95	..	95¾	97	..
Cons. Rubber	6	1946	5 74	101	95	103	100	103	..	103	..
Mont. Trams. "A"...	5	1955	5.45	98	92⅛	93⅞	93	94¾	93⅞	93¾	93½
Do. 1st mtge.	5	1941	5.14	98	97	102½	96½	98½	97¾	98½	..
N. S. Steel	5	1959	9.15	73½	73½	57	56	..	51	57	56¼
Quebec Rly.	5	1939	5.43	98	89¾	96	91⅞	97¼	96	96	..
Rio Janeiro	5	1935	5.73	95½	82	95⅞	91½	95¾	94¾	94¾	..
Wayagamack	6	1951	6.00	98¾	84¼	100⅝	91¾	100	..	100	..
War Loan	5	1931	4.75	102.65	101.00	102.40	100.35	101.15	100.90	101.15	100.90
Do.	5	1937	4.64	104.95	103.80	104 65	102.75	103.40	103.05	103.10	103.00
Victory Loan	5½	1927	4.55	103.15	101.70	101 75	100.00	101.00	100.70	100.00	100.40
Ditto	5½	1933	4.80	107.00	105.10	106.80	103.65	104.05	104.00	104.30	103.85
Ditto	5½	1934	5.00	104.80	103.20	104.10	102.70	103.20	103.15	103.30	103 05
Ditto	5½	1937	4.60	110.00	108.15	109.30	106.90	107.75	107.60	107.65	107.35
Do., Renewal	5½	1927	4.95	103.15	101.70	101 75	100.00	100.80	100.40	100.70	100.30
Do., Renewal	5½	1932	5.00	104.20	102.60	103.40	102.00	102.60	102.30	102.60	102.30
Do., Refund.	5	1928	4.90	104.45	100.15	101.30	99 00	100.35	100.00	100.05	100.00
Do., Refund.	4½	1940	4.82	97.25	92.00	96.70	95.60	96.30	96.00	96.60	96.05
Do., Refund	5	1943	4.82	102.95	100.15	102.20	101.15	102.15	101 80	102.00	101.50
Do., Refund	4½	1944	4.83	97.65	96.20	97.15	95.75	96.35	96.00	96.60	96.25
Do., Refund.	4½	1946	4.78	.....	......	96.80	95.65	96.25	95.95	96.30	96.00

Two Attractive Power Investments

Power securities rank next to Government Bonds in the estimation of experienced investors. The reason lies in the ever increasing demand for power as a result of population growth and the rising standard of living.

We recommend the securities of the two under-mentioned companies. Both face a future of sound, steady expansion, and both enjoy earnings that leave a substantial margin for dividend requirements or bond interest.

Avon River Power Co. Limited
First Mortgage 5½% Gold Bonds
$98.50 and Interest
To yield 5.60%

Quinte & Trent Valley Power Co.
Preferred Stock
$99.00 and Accrued Dividends
To yield over 7%

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14 King St. East Toronto

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Fort William	Dec.........	Bank of Commerce	5%	1957	$95.000	98.22	...
Fort William	Dec.........	Fry, Mills, Spence & Co.	5%	1957	250,000	99.09	...
Niagara Falls	Dec.........	A. E. Ames & Co.	...	....	87,098	99.20	...
Outremont	Dec.........	Rene T. Leclerc Inc.	5%	1926-46	45,000	99.30	...
Rouyn, Que	Dec.........	Corporation dePrets	5%	5 yr.	40,000	95.01	6.17
Smith's Falls	Dec.........	R A. Daly & Co.	5%	20-ins.	45,484	98.81	...
Sandwich Twp.	Dec.........	Carruthers & Co., Windsor	5½%	10 & 20 yr.	150,000	.....	....
York Twp.	Dec.........	Wood, Gundy & Co.	5%	5 to 30 ins.	1,751,594	99.70	....
Arnprior	Dec.........	H. C. Monk & Company	5%	1941	31,527	99.55	...
		Provincial					
Manitoba	Dec.........	Wood, Gundy & Co.	4½%	30-yr.	$3,000,000	93.75	4.90

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Stock Issues—	Date issued	Offered by	Rate	Due	Amount	Price	Yield
Boischatel Mines	Dec.........	D. S. Paterson & Co.	...	....	200,000 shs.	22c.	...
Laura Secord Candy Shops......	Dec.........	A. E. Ames & Co., and Dominion Securities...	7%	Pref.	$750,000	100	7%

Quebec R. L. H. & P. Co. Pay 2½ Per Cent. on Bonds

From Our Own Correspondent

MONTREAL. — The Quebec Railway Light Heat and Power Company has announced that the 2½ per cent. due on its income bonds for the half year ending December 1, 1926, will be met on March 1 next. Last week, it was announced that the company would meet the ten per cent. interest arrears on this issue — but obviously on income bonds, payment of interest is only made when, as, and if earned. Therefore there can be no arrears of interest. The 2½ per cent. only will be paid.

B.C. Electric Railway Year's Earnings Up

From Our Own Correspondent.

MONTREAL.—Dispatches from London, England, say that an increase of 145,000 is shown by the British Columbia Electric Railway Company, in its report of earnings, for the year ended June 30, 1926. Net profits amounted to £393,419. Dividends on the preferred ordinary stock totalled 6¼ per cent. and those on the deferred ordinary stock eight per cent. The directors are establishing a pension fund of £40,000 out of profits.

The Kootenay and Arrow Lakes areas have an apple crop this year about twenty per cent. larger than last. Packing is at its height.

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805 Electric Railway Chambers
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Bell Telephone 5's.....1955
Belgo Paper 6's........1943
Belgo Paper 7% Preferred Shares.
Quebec Power Co. 6's..1953
Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s.....1930
Wayagamack 6's.......1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's..........1942
Windsor Hotel 6½'s...1943
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s...............1941
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Now, as a result of almost a half century of investment experience, we are offering to the investors of Canada what we consider to be the safest and most convenient investment it has been our pleasure to offer.

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Insurance for Buyer and Seller

Canadian Life Firms Carry Over $850,000,000 of Insurance Abroad

Rush of Canadian Life insurance companies to take out licenses to transact business in New York state, recalls the fact that Canadian companies are writing insurance in every corner of the Globe.

The present move into New York was started by the Canadian Life Assurance Company, which, a few months ago, got permission from the state authorities to write business there. Now the Manufacturers Life, the Imperial Life, and the Confederation Life are understood to be seeking entry into that field.

Deposit of $250,000 Needed

A company entering New York State has to put up a deposit with the department at Albany of a quarter of a million dollars. This must consist of either New York State bonds, New York County bonds or New York State city bonds.

The Sun Life, the Canada Life, the Manufacturers Life, the Great-West Life, the North American Life and the National Life are Canadian companies who have done business for some time in the United States. While the Excelsior Life did, some time ago, contemplate entering the United States, it is not their immediate intention to do so, an official of the company stated, when asked with regard to a recent report to this effect. Several other Canadian companies, it is stated, will enter the United States in the future.

Outside Business in Force

At the end of 1925 Canadian companies had in force in other countries 356,324 life insurance policies with a value of $871,174,946. This compared with 1,562,934 policies to a value of $2,413,853,480 in Canada.

Figures for 1925 business, however, show that the proportion of business being written outside Canada is increasing. In that year over a quarter of the policies and over a third of the insurance written by Canadian companies was written outside Canada.

In 1925, 66,252 policies to an amount of $255,313,293 gross were added to the foreign business of Canadian companies and net premium income from outside sources amounted to $52,325,148.

PENSION POLICY IS POPULAR WITH UNMARRIED FOLK

About $17 Monthly Assures $1,000 Yearly in Non-Earning Years

An insurance policy somewhat new to Canada, yet which is proving one of the premier sellers of one of two companies is the pension insurance. This differs from the deferred income or annuity insurance in that the life insurance carried in the early years of the policy is usually half the amount of the insurance of the ordinary annuity policy.

This policy is designed to fit the needs of the unmarried person without dependents. Ordinarily, the younger person dependent on income for building a fortune wishes as high a proportion of life insurance as is possible for the benefit of a wife and children. But there is a considerable class of unattached persons in receipt of fairly good salaries who are not primarily interested in the protection feature of the policy but who are, or should be, seriously concerned with the problem of their maintenance in the years beyond their earning capacity.

Pension is Feature

An illustration of the advantages and benefits of the pension insurance for a person aged 33, shows that for a premium of $24.10 monthly, the insured is afforded these benefits:

Life insurance for $5,000, or the cash value of the contract, whichever is larger, payable to the beneficiary if death comes before 60.

An annuity of $1,000 annually from age 60 until death. At least ten payments are guaranteed.

There is a disability benefit also. This brings the insured $50 monthly during the term of the disability, retroactive to the date of the injury, while the premiums are waived. The disability clause is subject to an extra premium of about $12 the year.

The pension fund is computed at the rate of 3½ per cent. There are also the usual options of payment of premiums, the monthly rate being 4 per cent. higher than the annual rate payable in advance.

Has Options at 60

The guaranteed settlement options at age of 60 include a cash payment of $10,830, approximately, a cash payment of about $8,000 and a $5,000 paid-up life policy if the holder is insurable, or a paid-up policy for approximately $19,000.

This form of policy also is sold, maturing at 65 years old. In this event the 33-year-old holder would pay a monthly premium rate of only $16.80 to insure an income of $1,000 annually.

Group Insurance Policy On All Singer Employees

From Our Own Correspondent

In future, the employees of all the manufacturing plants of the Singer Manufacturing Company, will be offered comprehensive insurance protection under most favorable terms to themselves. The number of employees who will benefit from the plan, is considerably over twelve thousand. The plants of the company are located in St. John, Quebec, and in several cities in the United States.

According to the arrangements which have been made with the Metropolitan Life, the benefits are offered to all employees at work regardless of length of service. The benefits of $1,000 life insurance (including total and permanent disability benefits); $10 weekly sickness benefits, and $10 weekly health and non-occupational accident benefits.

The employees are offered the entire program of insurance at a most to them of only twenty cents weekly, the Singer company paying the balance of the net cost.

$100,000,000 POLICY

A group life insurance policy covering the greatest number of lives ever insured collectively, has just been purchased by the General Motors Co. from the Metropolitan Life. More than 100,000 employees who have been on the payroll for three months or over, are covered by the policy, each for $1,000. Thus, the original amount of the policy will exceed $100,000,000.

The plan is co-operative, the employees paying a small share of the cost and the company paying the balance of the total cost.

Make Macaroni in West

The manufacture of macaroni and kindred products is carried on in St. Boniface by the Excelsior Macaroni Products Company, H. Constant being the head of the owners.

Canada Life Heads Lunched in New York

Herbert C. Cox, president, and T. G. McConkey, general manager of the Canada Life, were guests of honor at a luncheon given at the Bankers Club, New York, this week by Hart & Eubank, general agents of the Canada Life. Approximately fifty general agents and representatives were invited to attend the luncheon and meet the officers of the latest company admitted to New York State. In addition to Mr. Cox and Mr. McConkey, James A. Beha, Superintendent of Insurance; Julian S. Myrick, of Ives & Myrick, and Charles S. McCain spoke.

C.F.U.A. Semi-annual Meeting is Postponed

The semi-annual meeting of the Canadian Fire Underwriters' Association, which was to have been held in Montreal on December 6, was called off, as the trial of a suit in which the officers of the association are defendants had been set for that date at Montreal.

The suit, known as Tanguay vs. Laing et al., was started by one George Tanguay, who charged the officers of the Canadian Fire Underwriters' Association with committing acts resulting in "restraint of business."

THREE NEW LICENSES

Dominion licenses have been issued:—to the Bankers & Traders Insurance Company, Limited, to write sprinkler, leakage insurance and tornado insurance; to the Northwestern Mutual Fire Association to write sprinkler, leakage insurance; and to the The Lumermens Mutual Insurance Company of Mansfield, Ohio, to write tornado insurance.

Special Train Catches Mails

Although the S.S. Montcalm, which carried the Australian mails from Europe, reached Quebec a day late, the mails for the Antipodes connected with the Canadian Australasian liner R.M.S. Niagara sailing from Vancouver on schedule. The Canadian Pacific Railway ran a special train which caught up with train No. 3 at Sudbury. No. 3 reached Vancouver on time and the Niagara sailed shortly afterwards.

Use Blue Water Highway

Over 40,000 motor cars, containing 135,000 persons passed through the Sarnia gateway and over the Blue Water Highway, which runs from Sarnia to Owen Sound and Orillia, during the year 1926, according to George P. France, secretary of the association, in his report to the annual meeting of the Blue Water Highway Association. This is an increase of several thousand over the record established last year.

IMPERIAL TOBACCO EARNINGS INCREASE

Final Dividend for Year's Operations Up ½ Per Cent.—Working Capital Up

From Our Own Correspondent.

MONTREAL. — The earnings of the Imperial Tobacco Company of Canada for the year ending September 30, 1926, reached the highest level in the history of the company. The strong working capital position underwent further improvement and now stands at just below $18,000,000. The profit and loss figures over the past three years compare as follow:

	1926.	1925.	1924.
Net profits ...	$3,672,850	$3,312,720	$3,602,135
Pfd. divs.	481,450	477,594	441,034
Balance	$3,191,391	$2,835,135	$3,161,101
Com. divs.	1,942,100	1,920,295	1,897,756
Balance	$1,249,290	$ 914,840	$1,263,345
Prev. surp.	7,185,490	6,910,410	5,647,066
Total	$8,434,780	$7,825,250	$6,910,411
Fin. div.	487,354	316,993	316,993
P. & L. bal. ...	$7,947,426	$7,508,257	$6,593,418

Working Capital Position

	1926.	1925.
Curr. assets	$18,912,613	$18,462,196
Curr. liabs.	2,315,984	2,279,247
	$16,596,629	$16,182,949
Investments	1,248,337	535,250
Total	$17,844,966	$16,718,199

An Increased Bonus

The final dividend seen in the foregoing at $487,354 is something in the nature of a bonus and the 1½ per cent. recommended this year compares with only 1 per cent. paid in 1925 and 1924.

During the year, 2,137 bonds of $100 each were exchanged for 42,740 fully paid up ordinary shares of $5 par value each. Other changes in the liabilities include the reduction of the preferred stock outstanding by some $1,300,000. Other changes were of a minor character only; the large goodwill asset amounting to $28,816,800 remains unchanged from last year.

It is pointed out in the report that the figures do not include the company's proportion of undivided profits of associated companies.

Continental Guaranty in Halifax

The Continental Guaranty Corporation of Canada, of Montreal, attracted to Nova Scotia because of the indications of increased prosperity, and the general improvement of business throughout the whole province, is opening new and large offices in Halifax under the management of W. T. Hayden.

[Ad No. 3 in a series on Business Mortality]

How Long Does a Wholesale or Jobbing Business Live?

Do you sell to Wholesalers or Jobbers? If so, do you know how long your customers will "live"? Below are "experience tables" compiled by the Bureau of Business Standards of the Shaw publications. They represent a study of thousands of cases.

Bakery Goods .... 6.6 years
Boots and Shoes .... 10.0 "
Butter and Eggs .... 5.3 "
Cigars and Tobacco .... 6.5 "
Clothing .... 6.6 "
Confectionery .... 9.2 "
Dry Goods .... 7.6 "
Flour and Feed .... 7.6 "
Fruits .... 6.2 "
Groceries .... 10.9 "
Hardware .... 8.5 "
Lumber .... 7.4 "
Meats .... 6.5 "
Paints, Oils and Glass .... 6.1 "
Paper .... 8.5 "
Produce .... 9.5 "
General average for Wholesale Concerns .... 7.5 "

The average life of all your possible wholesale customers is only seven and one half years. Many of them are undoubtedly at this dangerous age *right now.* You can't know exactly when any particular one will fail, *nor can you prevent it.* But you *can* safeguard the monies due you — with one of our policies of Credit Insurance. A representative trained in your special industry will gladly tell you how.

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A True Story

Always 'the life of the party' everybody admires Ted Carruthers for his breezy good nature and winning personality. He is a real man through and through.

But in his quiet moments—

Poor Ted has his personal problem from which he cannot shake himself free when alone. A recent illness, the price of overwork, left his health impaired. The doctor says it is only a matter of time.

He now has only a few short years in which to provide for Mary and the children. What is he to do? He is not able to get life insurance and cannot save much more than $300.00 a year. In five years this will be but $1,500.00—not nearly enough!

'Tis now he realizes just what it would have meant if he had insured when able, to provide for his wife an income of at least $100.00 a month ($1,200.00 a year) as long as she lived. At his age (35) $6.40 a week with the London Life would have guaranteed it, and worry would not now be further sapping his strength, killing any chance he may have had of recovery.

• • • •

The future may easily be made safe for loved ones by insurance, and worry removed from those who have dependents.

One of our trained representatives will be glad to advise.

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HEAD OFFICE: WINNIPEG, CANADA
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TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

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Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

READY FOR A JOURNEY?

Men prepare for even unexpected journeys by first arranging to meet the usual household bills and expenses during their absence. They provide for the family budget more carefully than when they are at home. To neglect so obvious a duty would be unthinkable in a kind, or ordinarily provident husband or father.

What is your provision for the long and inevitable journey, from which you will not return? You know the exact sum now needed for your household; will it be less when you are gone? And how is it to be paid?

A Sun Life Monthly Income Policy provides for every such contingency.

SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: Montreal

Current Events in Banking World

N.S.F. CHEQUE NO CAUSE FOR BLUSH TO MANY PEOPLE

Laxity of Law Makes Problem for Bank Managers in Canada

One of the speculators operating on a "shoestring" in the old boom days in Toronto in the late eighties was never known to actually pay any of the notes he signed. He was, however, quite ready to sign a renewal, scrupulously adding thereto the amount of interest for the time the renewal was to run. When the renewal was signed he always used to give the blotter over his signature a couple of pats, and remark, "Well! thank God! that's paid!" From the complaints of dealers there is a very immense class in Canada whose ideas of settlement are very similar. They will issue cheques or notes, but make no attempt to provide funds to meet them. It is said that this practice has always been more prevalent in Canada than in other countries, and is now on the increase. If this is the case it is not flattering to the business ethics of the community.

One reason may be that credit is too easy, dealers are so anxious to sell that they will take undue chances on their customers. The cost of collection in such cases will wipe out any profit on the sale, and the dealer would be better off without the business which involves such excessive collection expenses.

Abuse Increases Price Level

There is not much doubt that the credit system is much abused, and the cost of commodities increased thereby to those who do pay their debts.

There are those who issue cheques in anticipation of funds, and they expect to realize by the time the cheques are presented, but there are others who issue cheques knowing perfectly well that there are not only no funds to meet them, but that there will not be, and issue the cheque merely to stall for time. It is, of course, an illegal act to issue a cheque for which there are not sufficient funds, but, before a charge of fraud can be sustained, it must be proved that the issuer knew the cheque would not be paid. This is very difficult. The courts are inclined to take a lenient view, and men who practice this kind of thing can always manage to find this money to obtain competent legal assistance. Magistrates will not issue warrants in cases where these cheques have been given in settlement of an account, as they say the police court is not a debt collection agency. Everyone knows that the creditor only wants his money, and that if settlement is made he will at once withdraw the charge.

When it is False Pretences

If a man tenders a cheque in payment for goods when he buys them and the cheque is refused, the case is different, and in this case a warrant could be obtained on a charge of false pretences, but even the complainant will try to withdraw the charge if settlement is offered. If the case has gone too far the culprit can usually get off easily, probably with a warrant, or suspended sentence, and next time he does not offer the cheque when he buys the goods; he waits until the collector calls.

The gentry who practice the habit of issuing these worthless cheques usually issue them on the branch banks, and some blame the branch managers for not getting rid of such accounts. It is difficult to understand why they do not, as an account which does not carry a reasonable balance of collected funds, which will provide funds, which the bank can trade with and earn a profit sufficient to pay the cost of operation, is no benefit either to the branch or the manager. It costs about 5 cents per cheque issued to handle a current account, and according to the best information obtainable, unless there is an average balance carried of $1.31 per cheque, the bank is really paying its depositor a bonus to use its stationery and take up the time of the staff. If therefore a company issues 10 cheques per month, or 120 per year, the bank loses, unless the average balance for the year of collected funds is at least $157.20. Some managers think that if the customer is a borrower, the profit on the loans make up for this, but the handling of the account is a service entirely apart from the loan. If the customer borrowed on mortgage from a loan company, he would pay as high a rate of interest as that charged by the bank, together with the various charges, legal and others connected with the execution of the mortgage, and would neither expect nor receive any further service, so why should he expect it from the bank.

Branches Should Close Accounts

Branch managers have it in their power, not only to be of great service to the community by closing out accounts which merely serve as a convenience to the issuers of these practically fraudulent cheques, but to greatly ease their own worries by saving the expense to their offices of providing an excessive amount of free service, which is not even appreciated by those who use it. Among the cheque "kiting" fraternity, the managers who stand for the practice are regarded and spoken of as easy.

A cheque is only a piece of paper without value in itself. It is simply an order signed by the maker to his banker to pay the sum designated to the payee upon demand.

The issuing of such an order is presumptive evidence that the drawer of the cheque has funds at his credit to meet it.

The right of a man to issue such an order to his bank in the belief that he will be able to provide the funds by the time the cheque is presented, is not recognized in law, even if it is a very general custom.

Really Loaning Him Money

A cheque is not cash, and if it be negotiated by a bank, other than the office at which it is payable, the bank which negotiates it is actually making an advance to the party negotiating it until such time as the cheque can be presented to the bank upon which drawer and payment received.

This procedure takes a certain time, even if the cheque be honored at once upon presentation and the bank which makes this advance is therefore entitled to require remuneration for the accommodation it extends. Unless the account of the customer for whom the cheque is negotiated yields sufficient profit to cover the cost of this accommodation, there is a loss to the bank.

This right while it may be differently expressed, is recognized everywhere but in Canada, and the banks in other countries either do not permit the depositors to avail themselves of uncollected funds, or require the maintenance of credit balances of a size to offset the amount of such items sending collection. In other words the public in these centres are expected to pay for what they get.

Changing Old Customs

In banking as in other practices a more or less established custom, good, bad, or indifferent, takes time to change, and there is usually a wrench when it is sought to amend a long established but inevitable custom. Branch managers, however, can start the good work by closing out without delay any account in which the customer does not maintain a balance of collected funds to meet the cheques coming against it. When it becomes necessary to call up the customer by telephone and ask him to make provision every time cheques are presented through the clearings, the cost of clerical work in connection with the account is excessive, and the customer is getting service far in excess of what he pays for, or is in all fairness entitled to.

Weekly Bank Clearings

(In comparison with the same week last year)

WEEKLY BANK CLEARINGS

Eastern Cities

	Dec. 3, 1925.	Dec. 2, 1726.
Montreal	$215,452,848	$137,910,201
Toronto	172,533,265	112,130,441
Halifax	3,903,649	2,708,061
St. John	2,622,117	2,418,487
Moncton	1,050,309	[illegible]
Sherbrooke	811,326	870,634
Quebec	......	10,695,644
Ottawa	6,813,761	7,323,671
Kingston	820,410	749,427
Peterboro	828,841	913,078
Hamilton	6,384,284	5,580,089
Brantford	1,104,627	1,221,615
London	2,932,986	3,002,692
Kitchener	1,039,686	970,685
Windsor	3,373,147	4,163,552
Chatham	......	700,158
Western Cities		
	Dec. 3, 1925.	Dec. 2, 1926.
Fort William	$ 1,197,892	$ 1,508,134
Winnipeg	101,542,696	82,210,138
Brandon	837,205	748,329
Regina	6,395,031	6,042,572
Saskatoon	3,024,251	2,312,250
Moose Jaw	1,841,904	1,677,138
Prince Albert	......	476,385
Lethbridge	741,273	673,875
Calgary	10,861,397	10,207,426
Edmonton	5,892,496	4,633,795
Medicine Hat	379,590	302,418
N. Westminster	835,354	768,916
Vancouver	19,938,975	18,021,703
Victoria	2,023,235	2,066,983

CHEQUE MARKED, BANK ONLY IS LIABLE

Once Payee Presents it for Payment, Signer's Obligation is at End

The presenting of a cheque to the bank to be marked is such an everyday occurrence that the manner of presentation is very seldom taken into consideration. Very few people realize that if a bank fails to meet its obligations, the holder of a marked cheque has no claim upon the maker of the cheque, unless it was he who presented the cheque to be marked. In other words, when the payee presents a cheque to be marked the cheque becomes the obligation of the bank, not the obligation of the maker.

Fortunately for Canada, the very small percentage of bank failures, removes the possibility of loss to a very large degree. However, when the affairs of the Home Bank were being wound up, this case arose.

Typical Case Expounded

Jones held a mortgage which he wished to pay off, and with this end in view, he made a cheque on his account in the Home Bank. He took the cheque to the mortgagee and offered it in payment of the mortgage. At the same time he asked if he would like to have the cheque marked and the mortgagee replied "Yes." Accordingly, Jones had the cheque marked and on the day after it had been tendered, the Home Bank closed its doors. The mortgagee was, of course, unable to obtain the money from the bank so he applied to Jones for payment. Jones refused to pay because he had presented a cheque, marked at mortgagee's request. In this he was upheld by the trial courts but later the decision was reversed in an appeal.

The whole question upon which the legal argument hinged, was: who presented the cheque to be marked? If the mortgagee had presented the cheque it would have become the obligation of the bank and there would have been no further claim upon Jones. The higher courts decided that Jones had really presented the cheque himself and therefore it was still his obligation.

Where Signer Gets It Marked

If the maker of a cheque (Jones, in the above case) presents the instrument to the bank to be marked, he merely adds the bank's credit to his own, but if the person in whose favor the cheque is drawn (the mortgagee) has the cheque marked, it is understood that he has accepted the bank's obligation to pay and has discharged the obligation of the maker. From a legal viewpoint the theory is that when the person to whom a cheque is made out, presents the cheque to be marked, the bank is ready and willing to pay him the money, but that instead of the actual cash, the holder takes the bank's obligation to pay, as signified by its mark.

In this respect a cheque differs very materially from a bill of exchange, which, although accepted by a bank, does not discharge the obligation of the drawer until the money has been paid.

Staff Gossip

At a recent meeting of the board of trade, F. C. Grant, successor to E. H. Bird, as manager of the local branch of the Canadian Bank of Commerce, was elected treasurer of the board to succeed Mr. Bird, who has held that office for a number of years.—Free Press, Nanaimo.

R. G. Blair, who for five years was manager of the Harvey Station branch of the Royal Bank of Canada, and who in May last was transferred to Newcastle, N.B., has been transferred to New York city.—Gleaner, Fredericton.

James Carr, manager of the Bank of Montreal, at King City, has been transferred to Toronto.—Banner, Aurora.

Norman Loggie, who has been on the staff of the Bank of Montreal at Grand Falls, N.B., for some time past, has been transferred to Saint John.—Commercial, Chatham, N.B.

Harry Lee, a former well known Belleville boy and recently assistant manager of the Bank of Montreal, Calgary, has been appointed to the main branch in Quebec City as assistant manager.—Standard, Kingston.

Several changes in the executive staff of the Royal Bank of Canada have taken place in British Columbia in the past few days.

Owing to continued ill-health, A. R. Heiter, manager of the Victoria branch for the past seven years, has retired on pension.

He is succeeded by G. H. Stevens, who has been inspector of British Columbia branches, with headquarters at Vancouver.

Mr. Stevens in turn has been succeeded by W. M. Hugill, who arrived in Vancouver on Saturday from the supervisor's department in Regina.

Mr. Heiter is leaving on an extended trip in the interests of his health and intends to continue residence in Victoria. His successor, Mr. Stevens, has been acting manager at Victoria for the past few weeks. Before being appointed as inspector for British Columbia, Mr. Stevens was manager of the Westminster branch and formerly held important positions in Winnipeg, Toronto and Montreal.—Vancouver Province.

DOMINION BANK

The Dominion Bank announces the following staff appointments: T. Wilding has been appointed accountant at London, England, branch, and J. V. Macfarlane has been appointed to a similar position at Queen and Ossington Streets branch, Toronto.

Border Cities Grow Rapidly

Recent census taken of the Border Cities—Windsor, Walkerville, Ford, Riverside, Sandwich and Ojibway—show a population at 100,000, or double that of six years ago and triple that of twelve years back.

5¼%
On Guaranteed
First Mortgage
Certificates

Safe beyond question and unconditionally guaranteed.

Send for descriptive circular without obligation.

THE
STERLING
TRUSTS
CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

The West
Develops

Those who are not familiar with the strong and steady growth of the West will find it profitable to do so.

Development is on sound lines and recognized industry pays well. Investment should be made under advisement of a reputable financial institution.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada

How sequence calls speed up sales

Give us a list of the people you wish to call, so the operator can bring them on the wire one after another, without delay. Many concerns find this a decided advantage. Ask our manager for particulars.

THE BELL TELEPHONE CO.
OF CANADA

182

Are You Confident Your Will is Right?

A MAN who takes these three precautions will secure real peace of mind about his will.

1. Have a lawyer draw the will.
That saves the danger of litigation made possible by technical irregularity.

2. Discuss its practical provisions with this Company.
Our wide experience in Executorship might suggest a more practical method of achieving the result in mind.

3. Name the Canada Permanent as Executor and Trustee.
That places all the experience and all the corporate judgment of this Company at the service of the family. They are assured a permanent executor, a responsible trustee, a regular income.

For the sake of your own peace of mind and your family's happiness, make sure your will is drawn and executed so as to secure the very important ends you have in view.

THE CANADA PERMANENT TRUST Co.
Paid-up Capital One Million Dollars
Toronto Street Toronto.
Manager, Ontario Branch - A. E. HESSIN

25

Vancouver Holdings Ltd.
714-15 Board Trade Bldg., Vancouver, B.C.
BRITISH COLUMBIA
INVESTMENTS
TIMBER PULP WOOD AREAS MINES

WE place at your service over 25 years of actual business experience in British Columbia and we direct your special attention to inside business property in Vancouver.

HON. H. H. STEVENS,
Managing Director.

W. H. STEVENS,
Local Manager.

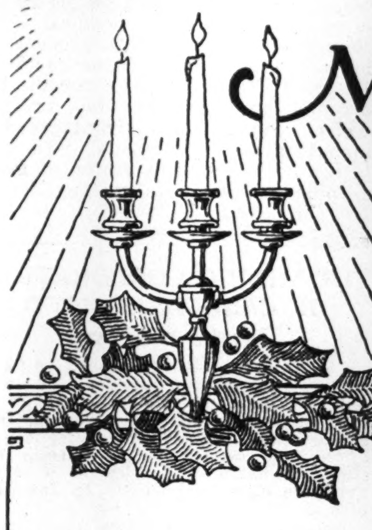
Canadian National Railways
BUREAU OF INFORMATION

A STAFF of officers, qualified to give information of the widest possible character, based upon a practical knowledge of the country, is maintained for the convenience of all persons desirous of investigating opportunities in Canada for investment of capital in development of industrial, mining, sylvan industries and water power.

Enquiries invited.

Natural Resources Branch,
C.N.R. General Offices, Montreal, P.Q.

C. Price-Green,
Commissioner.



Make a *lasting* Gift
this Christmas

There will be no disappointment anywhere if the gift chosen is a UNITED First Mortgage Bond, which, for Christmas-giving, possesses these distinctive advantages:

(1) It has a definite value, not subject to deterioration, and its giving connotes thought and discrimination on the part of the giver. No United Bond was ever picked up in haste from a bargain counter.

(2) Its value is a lasting value.
Owing to the safeguards we set about it and the supervision we maintain during the entire period of a bond issue over the property by which it is secured, every United Bond is worth its full face value any day of its lifetime.

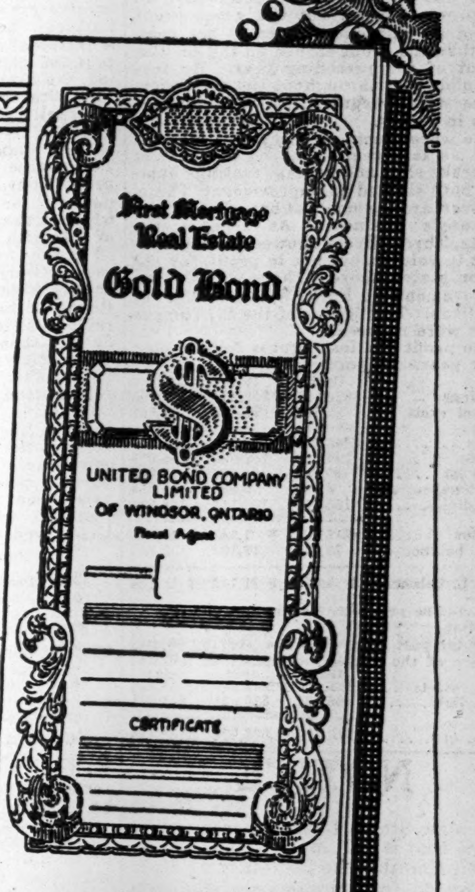
(3) It is an unobtrusive but constant, pleasurable reminder to the recipient of your generosity and affection.
Semi-annually during its lifetime, the maturing interest coupons on a bond mean to the holder just so much added spending money or increased capital.

United Bonds are available in denominations of $50, $100, $250, $500 and $1,000, and for this purpose are furnished in a bright wrapping, conspicuously attractive in any pile of Christmas morning packages.

Let us send you details of issues so that you may make your reservations now.

UNITED BOND CO., LTD.
TORONTO: 297 Bay Street
Wm. Brown, Vice-President and Manager
Howard C. Wade, President
WINDSOR:
Imperial Bank Building

7%
UNITED
FIRST MORTGAGE
BONDS



ALCOHOL MERGER ALMOST COMPLETE, MONTREAL STATES

Bond Issue of Some $12,000,000 Wll be Sold Soon

The major negotiations necessary to the consummation of the Canadian Industrial Alcohol-Hiram Walker deal have been completed. Only some minor details of the merger have yet to be arranged, so that within a week it is anticipated that some definite and official pronouncement on the deal will be forthcoming.

It is understood that the financing will be undertaken by a strong group of Canadian and New York financial houses, which is to be headed by Greenshields and Company. The New York members of the group will not include Dillon Read and Company, as has been reported. Any doubt whatever regarding the successful conclusion of the negotiations is now entirely eliminated.

From Our Own Correspondent.

MONTREAL. — Official confirmation is still lacking regarding the deal between the Canadian Industrial Alcohol Company and the Hiram Walker Company of Walkerville, Ontario, but the general opinion is that the deal has been virtually completed and that the financing will be carried out by a leading Canadian investment house with whom will be associated large New York interests. It is said also, that a bond issue of $12,000,000 will be floated to finance the deal, and the Walker business will operate under its own name as a subsidiary company.

The Canadian Industrial Alcohol is the largest producer of industrial alcohol in the Dominion. New uses for this commodity are being constantly found and employed.

Is Heavily Taxed Here

The management is shortly to push the manufacture and sale of a new motor fuel made with an alcohol instead of an oil base. In other countries, considerable progress has been made in the use of alcohol both as a fuel and also as a base for lacquers. In Canada, development along these lines has been hampered, as the industry is burdened with heavy excise taxes whilst in the U.S., all alcohol used for such purposes is free of taxation.

The plant which is located near Belleville, Ontario, consists of 88 buildings. A subsidiary company, the Consolidated Distilleries, carries on the beverage end of the business. Other subsidiaries are owned and operated elsewhere.

The company now has 2,480 shareholders. A steady gain in this number has been experienced since the shares were first offered to the public.

IRON FOUNDRIES DID NOT EARN DIVIDENDS

Pipe Company Had More Business, But Prices Were Too Long for Good Profits

Canada Iron Foundries shows lower profits for year to Sept. 30, 1926, than in 1925.

While the company's business during the year under review exceeded that of the previous twelve months in volume, the profit earned was less, owing mainly to the lower prices obtained for pipe. The pipe output at the company's Three Rivers plant was 20 per cent. greater than in the previous year, but the gross profit earned on this output was 10 per cent. less than the profit earned on the smaller output of the preceding year. He further adds that throughout the year operations were irregular, owing to fluctuations in orders.

The wheel business was practically the same as last year. On the other hand the brake shoe and general castings business both showed an improvement. These, however, are the smallest branches of the company's business. As regards the plants, Three Rivers showed an improvement in volume, but not in profit, for the reason stated above. There was also an improvement at Fort William and at Hamilton. The figures of the St. Thomas plant were reduced.

The profit and loss figures for the past three years compare as follows:

	1926	1925	1924
Earnings	$320,027	$350,209	$339,769
It. and exch. ..	82,704	76,333	64,237
Totals	$402,731	$426,542	$404,000
Deprec.	195,059	195,059	195,059
†Interest	59,899	64,491	66,050
Maintenance ...	8,950	9,891	10,254
Pfd. divids.	155,112	155,112	116,334
Surplus	x$16,289	$ 1,989	$ 16,309
Prev. balance ..	21,142	19,153	2,845
P. & L. balance	$ 4,853	$ 21,142	$ 19,154

†Including provision for sinking fund.
xDebit.

For the past three years the working capital position of the company compares as follows:

	1926	1925	1924
Curr. assets ..	$2,123,014	$2,283,243	$1,980,145
Curr. liabs.	406,239	316,321	248,031
Work. cap.	1,716,775	1,966,922	1,732,114

NOTICE

Loblaw Stores Limited hereby gives notice that it will make application to the Honourable the Secretary of State of Canada for acceptance of the surrender of its Charter.

MORLEY SMITH,
Solicitor for the Company.

Dated at Toronto,
this 7th day of December, 1926.

Dividend Number 157

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 31st day of December, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 13th day of December, 1926.

DATED the 7th day of December, 1926.

I. McIVOR,
Assistant-Treasurer.

Brazilian Less in Market Eye

Interest in Brazilian Tractions has waned somewhat on the Toronto and Montreal stock exchanges. It is now generally believed that whatever changes in control are to take place have been virtually effected, with the voting at the annual meeting next summer a mere formality.

It is believed that the so-called Montreal crowd definitely has thrown in its lot with the Lowenstein interests. A. P. Holt went on a trip up the Saguenay a few days after the flurry in Toronto, at about the time Sir Alexander MacKenzie, the operating resident manager of the properties, and E. R. Wood, the vice-president, were issuing their appeals to the shareholders to hang on.

There has been a great deal of quiet buying at Montreal. It is believed that the Lowenstein holdings are now greater than those of any other group and that control for them is assured.

The question of some interest in Canada is whether the active management of the property will remain unchanged. It is pointed out, however, that the Lowenstein interests are concerned primarily with organization of a holding company for Brazilian and other tractions and power companies and that the active management of the company might be left in the capable hands of Sir Alexander McKenzie if he is willing to remain.

FOREIGN EXCHANGES

Poincare Program Strengthens Franc

Conducted by S. J. ZACKS.

Although a softening tendency predominated in most of the exchanges during the week, on Wednesday the market launched forward again and the French franc closed at 4 cents, a new high for the year. The franc six months ago was selling at about 2 cents. In this comparatively short space of time, the franc has advanced in a sensational way, reflecting France's improved treasury position and the approach of stabilization.

A complete reversal from relative strength to comparative weakness in Canadian funds, accompanying a tie up in navigation on the Great Lakes, has put 3-32% premium on United States funds in place of the discount which obtained for some time.

Progress Stabilization

The phenomenal rise of the franc followed Poincare's statement that progress toward stabilization was being made. Poincare's plan to bring stabilization in fact by a balanced budget and favourable trade balance appears to be working out. The quick passage of next year's budget through the chamber indicated that he will have a substantial majority for his financial bill which will come up in February. This will be the first time since the war that France will have really balanced her budget. It is the first time that the budget passed on schedule without the usual political obstruction. It is also the first time that the budget passed with a substance not greatly changed.

Although the date of French stabilization may be far distant, the point at which the franc will actually be stabilized continues to be a matter of conjecture. Poincare's valorization program has witnessed the franc's ascent to 4 cents. The accompanying deflation will involve great hardships and sacrifice on business, but it will accomplish a readjustment which was caused by the recent inflation. During the inflation period, the Frence price level became out of line with that of the rest of the world. Internally, during the inflation, the prices of imported articles rose at a faster rate than those of domestic articles. Their value ratios therefore, became disproportioned and out of line with the normal or pre-inflation equilibrium, which actually meant that they were out of line with the value ratios which existed in the countries with a stabilized currency. During inflation wholesale prices became high in relation to cost of living. Prices of home products became low in relation to imported products. Under inflation then certain purchasing power of parities rose faster while under deflation the reverse occurs. Poincare's valorization scheme will deflate certain purchasing power of parities and bring them in line with world price levels. The stabilization rate will be found at that point where the various purchasing power parities will coincide—where the wholesale price purchasing price parity for instance, will nearly equal the cost of living, and so on.

Problem of Price Level

The problem of adjusting price levels through valorization programme is not a simple one in itself. Financial experts and bankers, appear to be opposed to the extreme deflation which Poincare seemingly favors. The point of great concern is that of tax collection. With the present deflation will Poincare imperil his revenue resources and currency reform?

Recent statements of President Luiz of Brazil have been greeted with mixed feeling. Predominant opinion, however, feels that the stabilization of the Milreis at 12 cents will help Brazil's industry.

Announcements from Japan point to further shipments of gold in preparation of stabilization, which is expected will take place in the middle of next year,—a period at which the heavy import surpluses are about over and the heavy export surpluses are in sight.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Dec. 2	3-64	5-64	1-32	3-64
Dec. 3	Par	1-16	1-64	1-32
Dec. 4	x1-32	x1-32	1-64	1-32
Dec. 6	x3-64	x1-32	1-32	1-32
Dec. 7	x5-64	x3-64	1-32	1-32
Dec. 8	x7-64	x5-64	1-64	1-64

xPremium.

STERLING, FRANCS AND LIRE

Dec. 2	4.84 9/16	3.82¼	4.28¾
Dec. 3	4.84⅝	3.91¾	4.34¾
Dec. 4	4.85⅝	3.97	4.34¼
Dec. 6	4.84⅝	3.91½	4.33¼
Dec. 7	4.84⅝	3.83	4.27¾
Dec. 8	4.85 9/16	4.00¼	4.32¼

FOREIGN EXCHANGE

Par		Dec. 1	Dec 7
19.30	Italian	4.27¾	4.33
32.45	Brazilian	12.37	12.12
23.82	German	2378	23.81
19.30	Belgium	2.78	2.78½
34.85	Japan	49.10	49.15

CITY DAIRY BONDS TALK OF GOSSIPS, DIRECTORS OPPOSE

(Continued from page 1)

two years on the $700,000 preference 7 per cent. shares, are interesting in comparison with heretofore unpublished figures relating to the ballance sheet of the company for the year 1925.

How Assets Have Grown

City Dairy total assets were given at $2,235,426.84 on December 31, 1921. This total had grown to $2,746.383.49 for the year ended December 31, 1925. Here was a growth of more than half a million despite the writing down of "organization" from $448,000 to $1 in 1923.

City Dairy keeps its current inventory down. While this item was listed at $62,088 in 1921, and $65,666 in 1924, the total under this head was only $58,405 at the end of 1925 despite a continued growth in business.

The first time that Dominion and Ontario bonds apeared in the balance sheet was in 1922, when the holdings of the former, with accrued interest, totaled $75,631, and the latter $128,244. An idea of how earnings have grown is shown by these same items for the year ended December 31st last. Whereas, the provincial and Dominion bond investments of the company totaled $203,000 in 1922, the investment in Dominion bonds alone at the end of 1925 was $565,698, with the provincial bond investment standing at near its former figure, $130,000.

Present values of property, plant and equipment are fixed conservatively at $1,443,626,25 as compared with $1,566,162, at the end of 1924 and $1,273,010 at the end of 1921.

Strong Depreciation Reserve

On the liabilities side, the company has tucked away a reserve of $590,572 for depreciation of plant and buildings. Its net profit last year, as shown on the published balance sheet, was $204,445. This was a recorded drop of $44,000 from the previous year, when earnings had reached their peak. The company's earnings from investments, not included in the foregoing, totaled $69,884 last year. This, with net profits and balance brought forward of $292,621, left a surplue of $566,951, and increase of $132,000 from the previous year.

Will there be a similar incease in surplus for 1926?

Examination of the full list of imports shows that it represents a much more varied group of items than do our exports, but this is true of most countries. The table gives no very vivid illustration of any general trend of development, except that two-thirds of the total increase may be found under the heading of iron and its products, and this item includes farm implements, automobiles, and machinery. This general increase in demand for a wide variety of manufactured products is to be expected in a country where the population is so spread out that mass production of many small items is impractical. Payment for exports must be accepted in terms of the articles which cannot be advantageously manufactured in Canada. To an increasing extent this factor of geographic efficiency is making itself felt throughout the world.

THE MINING CORPORATION OF CANADA, LIMITED

DIVIDEND No. 23

The Directors of this Company have declared an Interim Dividend of 12½ cents per share, payable on January 15th, 1927, to shareholders of record on December 29th, 1926. The transfer books of the Company will be closed from the close of business on December 29th until the close of business on January 14th.

Dated at Toronto this 8th day of December, 1926, by Order of the Board.

G. C. AMES, Secretary.

WANTED

Strictly high-class capable executive, who has made a success; must be a Protestant and a christian living man who would appreciate an unusual opening with an old established international stock and bond house. State qualifications and salary expected, which will be treated strictly confidential.

Apply Box 322,
FINANCIAL POST,
Toronto, Ont.

Tenders for Debentures

Tenders will be received by the undersigned till noon on Friday, the 17th December, 1926, for the purchase of debentures of the County of Brant for the principal sum of $40,000.00. Debentures dated 31st December, 1926, and payable as to principal in the following amounts on the 31st December, in each year, namely:

1927, $1,900.00; 1928, $1,900.00; 1929, $2,000.00; 1930, $2,100.00; 1931, $2,300.00; 1932, $2,400.00; 1933, $2,500.00; 1934, $2,600.00; 1935, $2,700,00; 1936, $2,900.00; 1937, $3,000.00; 1938, $3,200.00; 1939, $3,300.00; 1940, $3,500.00; 1941, $3,700.00;

with interest coupons attached at five per cent. per annum payable half-yearly at the Canadian Bank of Commerce, Brantford. Debentures will be $1,000.00 amounts and the odd hundreds.

Dated 2nd December, 1926.

A. E. WATTS,
Court House,
County Treasurer.

Trust and Loan

MONTREAL.—The revenue account of the Trust and Loan Company of Canada for the half year ending September 30, 1926, showed total profits of £144,111.4.7. After deduction of all charges and expenses, the net profits totalled £45,870.9.0. The latter figure compares with net profits for the full year ending March 31, 1926, of £91,536,13.9. Thus, it appears that the level of the company's earnings is being maintained.

EXECUTIVE

An experienced executive, with successful record as office manager, salesman, sales manager, and now holding position of Canadian Manager for large International Organization, desires change.

Canadian, age 34, married, college graduate, with wide and practical experience in sales organizing, including training new representatives.

Immediate engagement not imperative, but desire opportunity with substantial organization where energetic application and capacity for responsibility are essential. Credentials are of a high order.

Box 314 Financial Post
Toronto, Ont.

The Bank of Toronto

ANNUAL MEETING

The Annual General Meeting of shareholders of this Bank will be held at the banking house of the institution, corner of King and Bay Streets, Toronto, on Wednesday, the twelfth day of January next, the chair to be taken at noon.

JOHN R. LAMB,
General Manager.

Toronto, November 30th, 1926.

PROVINCIAL PAPER MILLS Limited

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.

Regular Quarterly Dividend 1½% on Common Stock.

Special Dividend 1% on Common Stock.

All payable January 3rd, 1927, to Shareholders of record as at close of business December 15th, 1926.

(Signed) W. S. BARBER,
Secretary.

BILLING MACHINES FOR SALE

3 Elliott Fisher billing machines (fanfold type) two of the latest model. These machines are in perfect working order and capable of writing 900 invoices or statements in a day, producing as many as 12 clear copies at once. An opportunity for you to secure efficient billing equipment at a material saving.

Write Box 320,
FINANCIAL POST,
Toronto, Ont.

The International Nickel Co.

A quarterly distribution of $.50 on the common stock has been declared this day, pavable Dec. 31, 1926, to Common Stockholders of record at the close of business Dec. 16, 1926.

JAMES L. ASHLEY,
Sec'y and Treas.

Dec. 6th, 1926, N.Y.

DIVIDEND NOTICE

Marcus Loew's Theatres, Limited

NOTICE IS HEREBY GIVEN that the Directors of the Company have declared a dividend of 3½ per cent. being at the rate of 7 per cent. per annum, on the preference shares of the Company for the half year ending the 31st day of December, 1923, payable on the 15th day of January, 1927, to shareholders of record on the books of the Company at the close of business on the 31st day of December, 1926.

S. D. FOWLER. Secretary.

The Toronto General Trusts Corporation, 253 Bay St., Toronto, is the Registrar and Transfer Agent to which all changes of nddress should be sent.

Dominion Glass Company Limited

Notice of Dividends

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1926.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1926.

The above Dividends are payable on Monday, the 3rd day of January, 1927, to Shareholders of Record at the close of business, Wednesday, the 15th day of December, 1926.

By order of the Board.

MERVYN OFFER,
Comptroller & Secretary.

Montreal, 18th November, 1926.

Two consignments of silver black foxes passed through Montreal during the week, one consignment of 37 being destined to Sweden and the other, a pair, for Australia.

EST. 1867.

Kennedy Castings

Castings made to any size, in any quantities, from any casting metal. Kennedy assures satisfaction, prompt service and fair prices on your orders.

The Wm. KENNEDY & Sons Limited
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Representatives at: Cobalt, Toronto, Montreal, Halifax, Winnipeg, and Vancouver.

Young Man (24)

Well connected, good appearance, pleasing personality, good judgment, university training, experienced in surveying and construction work, seeks affiliation with manufacturing concern wherein ability, combined with the old-time sense of responsibility, would be appreciated.

Box No. 316,
Financial Post.

DOMINION POWER AND TRANSMISSION CO. Limited

Dividend No. 61

A Dividend of one and three-quarters (1¾%) on the Preference Stock of Dominion Power and Transmission Company, Limited, has been declared for the quarter ending December 31st, 1926, payable January 15th, 1927, to Shareholders of record of December 23rd, 1926.

By order of the Board.

GEORGE D. FEARMAN,
Secretary.

Hamilton, Ont., 2nd December, 1926.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, together with a Bonus for the year of One per cent., both payable on

1st January, 1927,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE, Manager.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending December 31st, 1926, payable 15th January, 1927, to shareholders of record 31st December, 1926.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1926.

INTERNATIONAL PAPER COMPANY

New York, Nov. 24, 1926.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable January 15, 1927, to holders of record at the close of business January 3rd, 1927. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Treasurer.

SOUTHERN CANADA POWER COMPANY LIMITED

Dividend No. 28

A DIVIDEND of One and one-half per cent (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending December 31st, 1926, payable January 15, 1927 to shareholders of record December 24th 1926.

By order of the Board.

L. C. HASKELL,
Secretary-Treasurer.

Montreal, November 26th, 1926

The Toronto General Trusts Corporation

DIVIDEND NO. 122

NOTICE is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending December 31st, 1926, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Monday, the third day of January, 1927. The Transfer Books of the Corporation will be closed from Friday the 17th day of December, until Friday, the 31st day of December, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, December 2nd, 1926.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 13th day of January, 1927, at 11 o'clock, a.m.

C. E. NEILL,
General Manager.

Montreal, December 1, 1926.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

S. H. LOGAN,
General Manager.

Toronto, November 26th, 1926.

DOMINION TEXTILE COMPANY, LIMITED

Notice of Dividend

A Dividend of One Dollar and Twenty-five Cents ($1.25) per share on the Common Stock of Dominion Textile Company, Limited, has been declared for the quarter ending December 31st, 1926, payable 3rd January, 1927, to shareholders of record December 15th, 1926.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1926.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1926, and, in addition, a Bonus of one per cent. making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Monday, the 3rd day of January, 1927, to Shareholders of record of 20th December, 1926.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 26th January, 1927, at twelve o'clock noon.

By Order of the Board,

C. A. BOGERT,
General Manager.

Toronto, 25th November, 1926.

THE BELL TELEPHONE COMPANY OF CANADA

Notice of Dividend

A dividend of two per cent. (2%) has been declared payable on the 15th January, 1927, to shareholders of record at the close of business on the 23rd December, 1926.

W. H. BLACK,
Secretary-Treasurer.

Montreal, 24th November, 1926.

THE SHERWIN-WILLIAMS COMPANY, of CANADA LTD.

Notice is hereby given that the sixty-second quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending November 30th, 1926, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1926, and that cheques will be mailed December 31st, 1926. Books not closed.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, November 26th, 1926.

THE SHERWIN-WILLIAMS COMPANY, of CANADA LTD.

Notice is hereby given that the twenty-fifth quarterly dividend of one and a half per cent. (1½%) for quarter ending November 30th, 1926, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1926, and that cheques will be mailed December 31st, 1926. Books not closed.

By order of the Board.

D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, November 26th, 1926.

THE WABASSO COTTON COMPANY, LIMITED

Dividend No. 36, and Bonus

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company, has been declared for the quarter ending 31st December, 1926, also a Bonus of Fifty Cents per share, payable on the 2nd day of January, 1927, to Shareholders of record as at the close of business on the 15th December, 1926.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, Que., November 11th, 1926.

POWER CORPORATION OF CANADA LIMITED

First Preferred—Dividend No. 6

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of this Company for the quarter ending December 30th, 1926, payable January 15th, 1927 to shareholders of record December 30th, 1926.

By order of the Board,

L. C. HASKELL, Secretary.

November 23rd, 1926.

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, DECEMBER 10, 1926 No. 50

Silver and Associated Metal Output in Canada Means $6,300,000 Wages

Dominion Has 94 Mines Scattered Throughout 3 Provinces Producing

MILLIONS INVOLVED

B.C. Output Creeps Up With Lead Zinc Output—Northern Ontario Total Down

By S. J. COOK, B.A.,
Mining Branch, Dominion Bureau of Statistics.

Silver mining is not a distinct industry in Canada as silver is found only in association with other metals such as lead and zinc particularly in the West with cobalt in northern Ontario and with lode and placer gold copper and other metals in various localities. Industrial reviews concerning the production of silver must therefore be limited to a discussion on the sources of supply and to general statistics on each of the contributing sections of the mining industry. Silver-lead-zinc mining is a very important industry in British Columbia, the Yukon Territory, Quebec and to a less extent in Ontario, whereas the mining of silver-cobalt ores is carried on in Canada only in the province of Ontario. While silver is the predominating metal in some ores of the silver-lead-zinc group, there are other mines which yield an ore carrying lead and zinc in greater values so that the silver content is of secondary importance. Silver values are the governing feature in the silver-Cobalt ores of Ontario. Alluvial and lode gold and ores containing copper and gold usually contain commercial values in silver also, but in these ores, the metals other than silver, are generally of greater importance.

History of Industry

Silver production in Canada dates back many years, the earliest account being that of the finding of argentiferous-lead on the Quebec side of Lake Temiskaming about 1686; it is somewhat remarkable that the cobalt areas lying within a short distance of this property, and now one of the richest silver camps in the world was not known until 1903. In 1868, Thomas McFarlane, working on a rock about 80 or 90 feet in diameter, off Thunder Cape in Lake Superior, discovered a vein containing galena and silver which was afterwards worked as the Silver Islet mine; this property yielded about 3.5 million dollars' worth of silver before it was flooded by the waters of the lake. Then in 1903 the next big find was made, Long Lake, later called "Cobalt-Silver camp." This camp and the allied camps of Gowganda and South Lorrain have been in continuous operation since that time and at the end of 1925 has yielded upwards of 364 million ounces of silver.

B.C. Output Grows

In British Columbia the main source of silver for many years was from the silver-lead-zinc ores of the east and west Kootenay districts. These ores were complex, and because of the finely-disseminated sulphides, were very hard to treat. The Consolidated Mining and Smelting Company of Trail, B.C., has been the pioneer in Canada in the treatment of these ores. For years the zinc content of British Columbia ores was regarded as detrimental, and treatment of these ores by the smelter could only be carried on profitably by the imposition of penalty charges based on the zinc content. But as the result of an exhaustive research covering a period of years, a method of concentrating and treatment was evolved whereby the ores could be handled more economically. Enhanced prices of lead and zinc in the last few years also proved to be the means of bringing back into a paying position many mines that formerly had been unable to operate at a profit.

In the Yukon, the rich silver-lead ores of the Keno Hill district provide the principal source of the silver production from that section of Canada. Quebec province also, in the last few years, has added its quota in the output of these metals; considerable work is being done on prospects in the Gaspé peninsula.

Nova Scotia and the prairie provinces have yielded only small quantities of these metals up to the present time, but development and investigational work is being carried on at a zinc property in Cape Breton island and it is anticipated that Nova Scotia will soon be a contributing factor in Canada's zinc production.

Produced 20 Million Ounces

In 1925 the total production of silver from Canadian ores of all kinds, amounted to 20,228,988 fine ounces and included (a) silver contained in silver and gold bullion produced, 10,219,359 fine ounces or 50.5 per cent. of the total, (b) silver contained in blister copper or lead bullion made, 6,179,238 fine ounces or 30.5 per cent. and (c) silver estimated as recoverable from ores of all kinds exported for treatment in foreign smelters, 3,830,391 fine ounces, or 19 per cent.

The production of lead during the same year amounted to 253,590,578 pounds, an advance of 44.5 per cent. above the previous high record of 175,485,499 pounds set up in 1924. Of the total the Trail Smelter provided 206,071,014 pounds of refined lead or 81.5 per cent.; the remaining 18.5 per cent. of the output, or 47,519,564 pounds included lead estimated as recoverable from silver-lead-zinc ores shipped from the mines of the Yukon, and from the lead-zinc properties of Quebec, and pig lead made at Galetta in Ontario with also small quantities of lead contained in silver-lead-bismuth bullion recovered by the smelters treating cobalt ores.

Zinc Output Higher

Zinc production during the same year amounted to 109,268,511 pounds, an increase of 10.4 per cent. over the Canadian production of 98,909,077 pounds in 1924. Most of Canada's zinc output is in the form of metallic zinc produced by the Consolidated Mining and Smelting Company at Trail, B.C. The remainder represents zinc estimated as recoverable from ores and residues exported for treatment in foreign smelters.

Computed as the sum of the cobalt contained in metal, oxides, salts, ores, concentrates and residues marketed in 1925, the production of cobalt amounted to 1,116,492 pounds valued at $2,328,517.

Canada is Fourth

Lead production in Canada holds third place, silver seventh place and zinc ninth place in point of value among the metals and minerals produced. In 1925, Canada ranked fourth among the world's silver-producing countries; Mexico produced 92 million ounces; United States, 61 million ounces; and Peru, 21 million ounces. In the production of lead Canada was surpassed by United States, Mexico and Spain. In smelter output of zinc the United States had the highest production of any country, being followed by Belgium, Germany, Australia, Great Britain and Canada in the order named.

For the past two decades Canada has been the main source of the world's supply of cobalt. It is reported that the Union Miniere de Haut Katanga of South Africa is now also producing cobalt and it is probable that this production will have some effect on world prices and sales of this metal.

Production by Areas

(a) Ontario—Ontario, with its wonderful silver deposits at Cobalt, South Lorrain and Gowganda, continues to lead among the silver-producing provinces, and at the end of 1925 was still the largest producer of cobalt in the world. Some of the older properties around Cobalt have been worked out, but new discoveries in the South Lorrain field, and further developments in the Gowganda district, assist in keeping production fairly constant.

After the remarkable Silver Islet production, comparatively little silver was of the mineral wealth of the Cobalt area produced in Ontario until the discovery in 1903. From 1905, when the output of silver was over 2,000,000 ounces, the production increased rapidly until the peak year of 1911 was reached. In that year the recorded production was 30,540,754 ounces. It dropped down to 29,000,000 ounces in the following year and followed a generally downward trend until 1921, when less than 10,000,000 ounces were reported; there has been little change in the volume of output during recent years. In 1925, in the Cobalt area, there were 18 producing mines; in the South Lorrain field 4 mines were on the producing list, and in Gowganda 4 mines. The Nipissing mine was the principal silver producer in these districts. Other large mines in order of production were Keeley, Frontier Lor-

(Continued on page 18)

Lot of Wells There but Lot of Area too

Discussing the outlook for oil on the Prairies, Dr. M. Y. Williams, faculty of Geology, B.C. University, late of Dominion Geological Survey, said:

"Where gas was found did not always mean oil would be located, but where gas was found oil was likely to be found. There were two ways of looking at the Alberta field. One might count all the wells and say "what a lot of wells there are," and one might look over the territory and say, "what a lot of area there is to prospect."

More Machinery for Harvie Mine Operation

An additional compressor has been sent to the Harvie operations in Quebec. This will be followed by another and additional equipment for sixty man operation.

The situation has been brought to a point where it seems possible to finally prove the existence of two distinct mines—about a mile apart, during the winter, and the largest force than can profitably be employed will be worked through the winter.

The company is fortunate in having a siding of the railway on its own property, as it will be one of the largest users of freight in the Rouyn area.

HOLLINGER PAYS $10,000

Hollinger Gold Mines which optioned the Jamieson copper claims in Robb Tp. west of Timmins, made a first payment of $10,000.

FIND THIRD VEIN

South Keora mines, operating in Gillies Limit, south of Cobalt, has already uncovered its third vein of silver. It shows good values.

Nine New Mills May Enter Production 1927

Interesting Developments on Large Scale Are Indicated For 1927 in Gold and Gold-Copper Areas of the PreCambrian

New Mills to be Built	Mill Enlargements Contemplated	Recent New Mills or Expansions
Coniaurum	Hollinger	Lake Shore
Sylvanite	McIntyre	W.-Hargreaves
Gold Hill	Argonaut	Kirkland Gold
Blue Quartz	Barry Hollinger	Ankerite
Pioneer	C. W. Dome	Paymaster
Teck-Hughes	Paymaster	March Gold
Central Manitoba		Barry Hollinger
Noranda		Argonaut
Amulet		Vipond

The increase in the tonnage handled by gold and gold-copper mines of the Precambrian belt in 1927 should reach the 4,000,000 mark. This present year will close with a tonnage of 3,250,000, or about 250,000 tons above the 1925 figures.

New mills and expansion programs of a number of the mines will provide a good bulk of the increase, but four new mills which got under way the latter part of the present year will add their full quota for the year in 1927 and provide a material advance.

The coming year shapes up in attractive way from the standpoint of increased production. There will be a number of mill enlargements and expansions, several of which are already under way, including Teck Hughes new mill, Sylvanite and Paymaster's 1,000 ton increase, which will likely be the largest.

Another attractive outlook is that of new mills. Blue Quartz mine recently announced that it would go ahead with a mill. Gold Hill has announced that it will instal a mill in the next four months. This will give Boston Creek its second mill and at the same time the Barry Hollinger mill is expected to take another step up. Central Manitoba Mines has placed the order for its 250 ton mill and it is believed that both Pioneer and Coniaurum will have a mill under way before the end of the coming year.

Perhaps one of the outstanding features in regard the new mills is the fact that they are in such widely scattered areas. This is an important factor. It will bring new camps into production and tend to show that the commercial gold zones of the north are by no means confined.

STOCK DIVIDEND ON VIPOND IS NOW RUMORED

Shareholders Assured of Some Return Early in New Year

When will Vipond pay its first dividend?

This is a question that is frequently asked these days. No official statement has been forthcoming as yet but it would not be surprising to hear of the directors meeting any day to consider the subject.

Pres. F. H. Hamilton, London, on the occasion of his last visit to Canada, said that dividend action was to be hoped for early in the New Year. Since then Dr. McIntosh Bell, the managing director has made a statement that was a little more hopeful and explicit. Now there are well informed reports that the dividend may come to shareholders as a New Year's gift.

What will be the nature of the dividend? It would not surprise if it proves a stock dividend. Dr. Bell has stated that the new stock in the treasury will be made available to shareholders on a basis of one new for every ten held. He stated that the price that at which this stock would be placed would be made known later. Some think that a stock dividend proposal is the explanation of why Dr. Bell was not ready to announce the price.

If this is the case, it would mean that the holder of 1,000 shares of Vipond would get 100 shares valued at $158 at the present market or a dividend of just under 16 per cent.

Vipond has been plowing its earnings of the last few years back into development and indications are that it will continue to do so for some time. Just recently the Thompson Krist and Porcupine Crown properties were added to the company's holdings, making in all 440 acres. It is known that the Porcupine Crown's big vein, which gave the company a production sufficent to allow the payment of $840,000 in dividends, dips into the Vipond property at 1,100 feet and that some of the Vipond 5-8 vein system dips into the Thompson Krist property. This will mean an aggressive program of exploration in addition to the deep development which the Vipond is carrying on in its own workings.

MINING CORP. DIVIDEND

Mining Corporation has declared a 12½ cent dividend, payable to shareholders in January.

DUPRAT SURVEY STARTS

The Swedish Survey of the Duprat claims, west of Waite Montgomery, will start on December 12, according to advices from Rouyn.

TECK-HUGHES DIVIDEND

Teck-Hughes Gold Mines has declared a 5% dividend. It makes 10% paid this year.

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STRING OF COPPER MINES ON DUPRAT BORDER POSSIBLE

Three Important Discoveries of Late Indicate Engineer's Theory Right

Support of the theory recently propounded by Jos. Houston, M.E., to The Financial Post that ultimately a string of rich mines might be opened up, from the northern part of Boischatel Township, Quebec, north along the west part of Duprat and connecting up with Waite Montgomery on the north, has not been long in forthcoming.

Three important discoveries of high grade copper ore have been made in this section outlined in the last few weeks, and since Mr. Houston made his prediction.

The first discovery was the uncovering of a copper body some 45 feet wide on the Bagshaw-Richardson group which has since been formed into a company known as Ribago. Adjoining this group it was announced and published in last week's Financial Post that Boischatel development, which it is reported from the north has some association with American Smelting, had made a somewhat similar discovery. Now it is officially announced, in a letter to Corona shareholders, which property adjoins Ribago on the north and is in Duprat on the Boischatel boundary, that a strike of massive copper sulphides has been made. It is the intention of the company to do considerable shooting into this body before assays are made and when this is done the details will be announced.

Corona, Ribago and Boischatel Development, along with Consolidated Smelters, Nipissing, Duprat, Waite-Montgomery and the north group of Amulet, are located on a belt of Keewatin lavas which are cut in various places by diabase dykes. Mr. Houston said that where this geological condition had been found, the situation was quite favorable for the finding of copper-gold ore bodies and he predicted big things for the belt, having previously made an intensive study of it.

Mr. Houston is now in on the ground, looking over the Corona find and also overseeing the launching of the Swedish Electrical survey on the Duprat group which will likely start about Monday next.

WRITE FOR OUR MARKET LETTER

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Manitoba Mining Has Had Most Encouraging Year; Outlook is Good

Central Manitoba Gold Development Has Awakened New Interest

WILL SOON PRODUCE

Flin Flon Operation to North is Focusing Attention on Copper-Zinc Deposits

There has been much that is encouraging in the operations of the present season in Manitoba, so far as mining development is concerned, says the review of the Manitoba Industrial development board. In central Manitoba field, developments have reached the stage on Kitchener property where the installation of a 150-ton mill is being planned for the winter, and where the underground work has opened up a body of ore which would appear to justify an extensive program for the future. In the northern field, work has been pushed ahead very rapidly at the Flin Flon to test out the separation process on the mixed ore, and a 25-ton experimental flotation plant will be ready to operate early in 1927; at Cold lake the Sherritt property has on preliminary diamond drilling been found to be an important zinc-copper discovery. New lithium bearing pegmagtites have been found in the area northeast and east of Lac du Bonnet. The building stone industry has been considerably stimulated by increased building operations; and progress has taken place towards a local supply of tapestry brick, which is important for the province. There is no increase in production in metalliferous minerals, but when the statistics are made up, there will probably be found to be a considerable increase in production in non-metallics. Public opinion realises, more fully than at any time in the past, the importance of assisting in the development of the mineral resources of the province.

Watch Central Manitoba

In local circles greater interest has been taken in the field east of lake Winnipeg than in any other area in the province. This was in part due to the publicity which the Red lake area in Ontario, which is a neighboring mineral district to the Manitoba field, was receiving. It was mainly due, however, to the fact that operations were proceeding favorably on Kitchener property, northeast of Long lake, and that high values were being obtained on the Cryderman property, near Partridge lake.

On the Kitchener property there has now been done 2,500 feet of drifting on the 125-foot level and the 325-foot level, a vertical three compartment shaft has been sunk on the Kitchener group and a two compartment shaft on the Growler claim. Diamond drilling has been done on the Kitchener, Tene and Growler claims. Sampling on the surface vein of the Kitchener property gave $13 ore over stoping width for 900 feet, and the underground work seems to have fairly well borne out the surface values and extent of ore. On the Tene 6, values of $15 to $20 per ton over a width of 16 feet were obtained for 190 feet. Plans are now being made for the construction of a 150-ton mill and arrangements have been made by the Manitoba Power Co. for the supplying of power to the property.

On the Cryderman property (4 miles northwest of Partridge lake), the vein was traced for 1,500 feet with widths up to 30 feet of quartz, a shaft sunk to 260 feet, and drifting done at the 150 and 250 foot levels. Very good values were obtained on the surface showings, which have not been fully maintained in

(Continued on page 19)

Hattie Property Sold for $12,500

Hattie Gold Mines property, on which it is stated that $270,000 was spent on development and exploration was this week knocked down at auction for $12,500.

It is said that W. W. Butler, Montreal, one time Hattie director, was the purchaser.

Hattie Mines, at one time sold on the market on a basis of $2,500,000.

It fell on evil days. It was not in good hands and trouble among insiders quickly brought the proposition into disfavor.

Hattie was the kind of mining operation that brings mining into disrepute. More attenton was focused on the market than on the mine. Inside gambling in the stock was almost constantly indicated.

Queen Lebel Buys 113 Acres More

Company Has Good Holding on East End of Gull Lake

Queen Lebel Mines, controlled in Kitchener, Ont., and whose property is on the east of Gull Lake, in Kirkland Lake area, has acquired an additional 113 acres, comprising the two Baniff claims. This will give the company a compact group of 250 acres. The new acreage adjoins the original Queen Lebel on the west and is favorably located, if the theory which is gaining a steadily wider acceptance, that the Kirkland Lake break passes along in the southern part of the lake, is ultimately proven.

Queen Lebel was for a time held under option by John Taylor and Sons of London, who did considerable work with a fair measure of success. Since that time the directors have provided funds to continue operations until recently. With the additional acreage, the company plans to proceed with exploration and will sink the shaft to 1,000 feet. Queen Lebel is now opened down to 300 feet with 1,600 feet of lateral work.

LAVAL WILL DRILL NEAR THE NORANDA

There is a lot of gossip going the rounds in regard Laval Quebec. It is common gossip that there are some important developments pending that will have a material influence on the position of the company. This, it is suspected, may have to do with the large group of the company's holdings adjoining Noranda on which it is expected diamond drilling will be started almost immediately.

In a recent report to shareholders the company's holdings are given as follows:

	Acres
Rouyn	1,213.29
Duprat	685.13
Boischatel	622.87
Montbray	954.16
Total	3,475.45

In dealing with the past summer's work the report says that main efforts have been in the south group, which is the one near Noranda. It says:

"Mineralization has been proven on a good size area along side of a fault and a contact 1,200 ft. long in exactly the same formation as at the Waite-Montgomery and at the Alderson-McKay, values analyzing as high as 10 per cent. and 12 per cent. in copper with traces of gold.

"The next move will be diamond drilling to prove values at depth and in volume. Arrangements are being made to bring in a diamond drill and start work at once with absolute confidence as to the results.

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EST. 1866

Second Mill is Ordered for Boston Creek; Gold Hill Starts on 100 Tons

New Mining Plant to go Down 1,500 ft. Delivered at Mine

VEINS ARE WIDENING

Hard Rock of First 500-ft. Has Softened and Better Widths Resulted

Satisfied that their operation is now at the stage where it can be regarded as a medium sized high grade mine, Gold Hill Mining Co. have launched a programme of activity that will bring to Northern Ontario another producer by the time next summer comes around. The first step in this regard is the installation of large new mining equipment and simultaneous with the arrival of this on the property, comes the announcement that the company will place an order for 100 ton mill to be delivered during the next four months.

Indications are not lacking that Boston Creek may blossom out as a most attractive camp. Barry Hollinger to-day seems out of the woods and seems assured of a steady production that should be steadily stepped up. Gold Hill looks to be the next in line.

New Plant Delivered

It was only after a careful survey of the results obtained down to the 890-ft. level, that the company placed its order for new mining equipment. This is now at the mine. The hoist is capable of carrying down to 1,500-ft. and will raise 700 tons daily. It is almost identical with that at Wright Hagreaves. The new compressor will allow for work in ten different ore faces at one time. This equipment was accompanied by large blacksmith equipment. Motors are in transit and will be on hand by the time the new hoist and compressor are placed on their foundations. Power is already on the property.

When the new plant is ready to operate the shaft will be carried down 200-ft. at once and on the 1,000-ft. level, a pretentious campaign of exploration will be launched also. This will involve opening up extensively of No. 2 vein which parallels No. 1 about 64 feet north of the shaft and also driving 200 feet south to open up an attractive looking vein which on surface showed good milling ore over fair widths. Almost simultaneously the shaft will be carried down to 1,500 feet and the mine opened at different levels to that horizon. Only when this is complete will stoping operations be started.

Reason For Going Deep

There has been some discussion in regard the deep development program of Gold Hill. The explanation would seem to be that the company has taken a leaf out of the book of Barry Hollinger and is benefiting from its experience.

The fact is that the rock in Boston Creek for the first 500 feet is very hard, so much so that when the mineral bearing solutions were forced up through the fissures or cracks which to-day form the veins, the wall rock was not penetrated at all. The result is that the deposits which remained in the veins are quite rich but the wall rock does not carry values. This was true down to the 500 foot level. One encouraging change, however, was the fact that the vein showed a tendency to widen. When the operators got below the 500-foot level, it was noticed that there was a material change gradually taking place. The rock was getting softer and the widening tendency increased. Here the Basalt compares quite favorably with that of Porcupine and the breakage from machine operations was about the same. At the same time it was found that the mineral solutions was showing a steady extension into the wall rock and on the 800-foot level, in one fairly long drift, the commercial ore extended over a full stoping width in another section, just recently cut into but not as yet developed to any extent, the high grade ore was the full width of the stope and still showing in both walls.

Expect Shoots to Widen

The management thus believes that at about 1,500 feet the ore shoots of the mine should get somewhere near their full width. What this will be, they do not know and until they do know they say they will be unable to decide on what size a mill will ultimately be required. When the mine is opened out at 1,500 feet the company will then make a complete survey of the ore reserves.

Meanwhile, it is the intention to erect the 100 ton mill unit and treat the ore which has already come from development and which will come from the opening up of the additional 700 feet of depth.

Of Oil Wells Drilled In U.S., 20% Were Dry

From 1859 to 1924 approximately 661,679 wells were drilled for oil and gas in the United States, of which 129,875, or 20 per cent., were dry holes, states the bureau of mines in a recently issued report. In 1924, the number of wells drilled for oil and gas in the U.S. (exclusive of dry gas wells and dry holes in California, for which figures are not available) was 21,888, which was 2,550 less than in 1923 and 12,023 less than in the record year, 1920. Of the total number of wells drilled in 1924, 67 per cent. were oil wells; 10 per cent. gas wells; and 23 per cent. dry holes.

Noranda's New Hoist to Duplicate Lake Shore's

The new hoisting equipment for Horne property of Noranda Mines will almost duplicate the new one installed at Lake Shore Mine, Kirkland Lake. Canadian Ingersoll-Rand are building it. It will be double drum and hoist, operating singly or in balance, and capable of 750 ft. per minute to 600 ft. depth with 250 h.p. motor. The speed and depth can be doubled when required. Hoisting will be done in cars instead of skips.

Diamond Drill Group of Destor Tp. Claims

Attention has again turned to Destor Township, northern Quebec, where early work revealed favorable geological structure in several sections. Destor Mining Syndicate has been carrying on an investigation of several claims in that district and surface results have been of an encouraging character as indicated by a report compiled by John A. Dresser, mining geologist.

It has been decided to form a company known as Destor Mines, Limited, the board of which is now being organized. J. C. Lamothe, K.C., and J. A. Champoux, of Montreal.

Diamond drilling of the most promising sections will be started about Dec. 15. Surface assays show ore running 4½ per cent. copper and some precious metals in three places at intervals of 500 feet and lower values for greater widths.

Sylvanite Has Located Kirkland's Main Break

The ore body which Sylvanite mines had previously opened up on the 1,000-ft. level has been picked up by diamond drills on the 1,500-ft. horizon. Indications are that it is the eastern extension of the Kirkland Lake main zone. The ore body where located is about 300 feet south of the shaft, and slightly further south than at 1,000 feet, some faulting occurring between the two levels. The vein where cut by diamond drilling is five feet wide and carries the same values as at the upper levels, namely, about $28 per ton. A crosscut is now being driven to intersect it.

ARGONAUT FOUND 6 NEW ORE BODIES IN LAST 4 MONTHS

Company Has Carried on Agressive Campaign of Drilling and Exploration

Perhaps no more spectacular development has taken place in the last few months on any mine in the north, than that of Argonaut Consolidated property, in East Kirkland Lake. No less than a half dozen new ore bodies have been located in the last four months and these are being steadily opened up.

The company has carried on a systematic search for new ore on the deeper levels, notably 875 and 1,000 feet and the success, to use the language of the officials, has been startling. These are zones, or rather, ore kidneys, for they are of a shape that they resemble kidneys, have first been hunted out by diamond drilling. This has been aggressively prosecuted as in all 3523 feet of drilling has been done in the six months period. When success was encountered in the drill holes, lateral work was immediately directed that way and in the same period the company accomplished 3193 feet of work and this has provided much ore.

One of the interesting recent developments was in what is called the 830 stope on the 875 ft. level. From this the first 30 cars analyzed well above the average. The ore is being broken down across a width of 15 ft. and the stope was in 8 or 10 feet when last word came out.

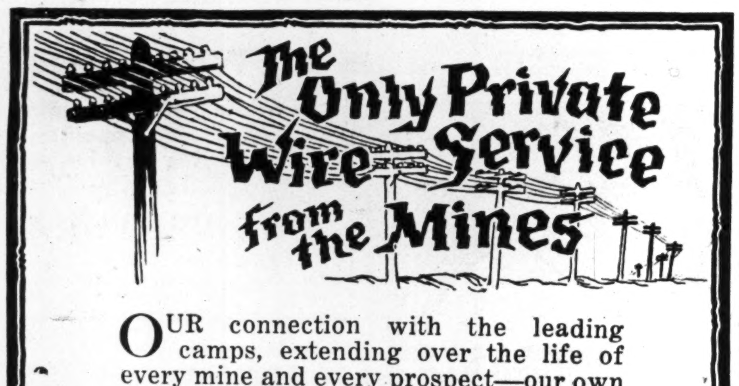
The new flotation plant for the mill is now in operation and is reported mechanically perfect. The old one is being overhauled and when ready both plants will be operated.

ADD TO ORE RESERVES

It is understood that developments of Tough Oakes Burnside property, west of the dyke, is adding materially to ore reserves and greatly increases the chances of the ultimate success of the venture.

MINING STOCK QUOTATIONS
Week Ending Dec. 7

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Dec. 7 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	$1	...	...	1.36	1.30	1.31	14445	1.50	.85	1.67	.90
Algonquin	1	...	...	5¼	3½	3¾	93300	3	1	6¼	1¼
Area	1	...	...	25	22½	23	38350	..	..	40	21
Argo. Con.	1	...	...	57½	54	54¾	128525	48	11	67	18½
Atlas	1	...	...	...	..	..	...	5	¼	5	1⅝
Barry Holl.	1	...	...	90	85	87	108425	50	18	1.00	.22
Beaver	1	...	...	62	58	58	21150	57	25	94	52
Bellellen L.	1	...	...	21½	21½	21½	5500	..	..	23½	20½
Boston Creek	1	...	...	...	..	..	...	9½	4½	7½	2¼
Bourlamaque	1	...	...	1.36	1.34	1.36	43200	..	..	1.36	.66
Can. Lorrain	1	...	...	64¾	59	60	77700	80	22	93	43½
Capitol	1	...	...	35	27	29	63725	38	24	50	25
Castle Tre.	1	...	...	1.16	1.10	1.12	36405	1.60	.71	1.85	.91
Chaput H.	1	...	...	5¾	5½	5½	17000	10	4	31	4¾
Clifton	1	...	...	...	..	..	...	26	2	6½	1½
Coniagas	5	...	...	4.50	4.30	4.30	1050	5.00	1.25	4.80	3.00
Coniaurum	5	...	...	3.70	3.60	3.60	1100	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2½	2	2½	55500	10½	2	25	2
Cons. Smelter	25	3+3	2.29	2.65	251¾	261⅞	22315	183½	48½	265	177¼
C. W. Dome	1	...	...	23¾	21	23	176355	25	10½	29½	14
Crown Res.	1	...	...	8½	8	8	10100	55	15	24¾	8
Corona	.	...	...	24	21¼	21½	103200	..	..	24	20½
Dome Mines	None	2.00	16.87	12.50	11.05	11.85	15465	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	38	37	38	2600	..	..	61	25
Duprat	1	...	...	25	22	22¾	184200	..	..	29	10
Destor	.	...	...	40	40	40	2350	..	..	40	40
Fiske	.	...	...	...	..	..	...	..	..	16	11
Goldale	1	...	...	30	29	29	9000	37	14¾	43	24
Gold Hill	1	...	...	47	42½	44½	91404	..	..	73½	25
Gold Reef.	1	...	...	1½	1½	1½	500	2½	1	5	1
Hillcrest	100	6	10.00	60	60	60	100	60	60	65	55
Hill Top	1	...	...	21	20	20	7400	..	..	31¾	20
Hollinger	5	26	6.86	19.00	18.80	18.95	1705	17.50	13.30	19.95	16.65
Int. Nickel, c.	None	2.00	5.13	39½	38½	39	7896	48⅜	25½	46	33
Jay Copper	.	...	...	85	81	83½	12450	..	..	88	73
Keeley	1	24	16.00	1.57	1.50	1.50	16315	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	14½	12	13½	25250	15⅞	8½	22	12
Kirk. Hunt.	1	...	...	29½	27	27½	72520	..	..	34	8½
Kirk. Lake	1	...	...	82½	77	77	109350	92½	33	1.44	.69
Kerr Lake	4	6¼	...	90	90	90	100	..	..	90	90
Lake Shore	1	40	2.81	14.50	14.00	14.20	4145	10.00	4.51	15.10	9.60
Laval	1	...	...	28½	26½	27	97200	..	..	44½	21
La Rose	1	...	...	6	5½	6	3500	53	7½	38	4
Lorrain	1	...	...	3¼	2¾	3	22000	24	7	15	2¾
Lorrain T. L.	1	...	...	61	50	61	7100	1.34	.85	1.10	.30
Marclay	1	...	...	31¼	30½	31	13000	..	..	31¼	30
Macassa	1	...	...	34	33	33	17900	..	..	43	33
McKinley	1	...	...	12½	11	12	4600	42½	14½	26	8½
McIntyre	5	20	4.15	24.70	24.10	24.10	3757	22.70	16.00	29.75	22.70
Mining Corp.	5	5	8.80	2.88	275	2.84	9185	3.40	2.35	4.45	2.60
Montreal Rouyn	1	...	...	25	18	25	39300	..	..	60	13
Noranda	None	...	...	20.85	20.25	20.60	39510	10.90	9.10	21.00	14.20
Newray	1	...	...	35	35	35	210	44	17	45	31
Night Hawk	1	...	...	7	4¼	4¼	71200	49½	6	17	3¾
Nipissing	5	12	9.09	6.75	6.10	6.60	26110	6.80	4.60	7.50	5.00
Osisko L.	.	...	...	1.40	1.35	1.40	16400	..	..	1.40	1.05
Pete Lake	1	...	...	...	..	..	...	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	22	18	18	16100	..	..	32	17
Porc. Crown	1	...	...	6	6	6	6000	8	2	10½	4
Porc. Keora	1	...	...	...	..	..	...	..	..	14½	3
Pioneer	1	...	...	1.12	1.06	1.06	21650	..	..	1.22	.66
Premier Gold	1	32	16.49	2.00	1.94	1.94	8815	2.58	2.19	2.75	1.90
Preston	1	...	...	6½	6	6¼	10800	12	6½	9⅞	4
N. A. Lead	.	...	...	1.60	1.50	1.57	6500	..	..	1.60	1.50
Rouyn	1	...	...	3½	2½	3½	55500	10	3	8	1⅞
Rouyn, Que.	1	...	...	2¼	1¾	2	5500	..	..	4½	1½
Siscoe	.	...	...	15	15	15	500	..	..	16	8
South Keora	1	...	...	27½	24	27½	89400	26	20	27½	5
Stadacona	1	...	...	45½	44	44	69900	..	..	45½	40
Teck Hughes	1	10	2.07	4.92	4.79	4.81	29330	3.00	1.23	5.00	2.64
Timiskaming	1	...	...	10	10	10	1000	30	1½	14	6
Tough Oakes	1	...	...	61½	59	60	157450	61	20	65½	36
Towagamac	1	...	...	4.85	4.60	4.80	7805	..	..	5.10	3.15
Vic. Silver	1	...	...	4	4	4	5500	31	5	9½	3½
Vickers	1	...	...	1.11	1.09	1.11	23800	.20½	.3	1.11	.18
Vipond	1	...	...	1.60	1.55	1.57	31012	1.04	1.01	2.02	1.49
Wigwam	1	...	...	...	..	..	...	..	..	32½	4
Wright Har.	1	10+22½	3.55	9.00	8.95	9.00	17613	7.95	4.15	9.60	7.75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SILVER AND ASSOCIATED METAL OUTPUT MEANS $6,300,000 WAGE BILL

(Continued from page 17)

rain, Castle Tretheway, Mining Corporation, O'Brien Mine, Lorrain, Trout Lake, and McKinley-Darragh-Savage.

Cobalt is Valuable

Production of cobalt from Canadian ores rose steadily from 1905 to 1909, reaching a maximum of 3,066,000 pounds in that year. Thereafter production declined sharply. In recent years production has ranged between 500,000 pounds and 1,000,000 pounds. In 1925 the output was 1,116,492 pounds, valued at $2,328,517.

Mining and milling only are being considered in this review; smelting of the cobalt ores in so far as Canadian operations are concerned will be reviewed in the bulletin on the metallurgical industry. Only the two largest companies, namely, the Mining Corporation of Canada, Ltd., and the Nipissing Mining Company, Ltd., produced refined silver bullion in 1925. Other mines shipped ore either to one of these companies or to the Deloro Smelting and Refining Company, or to foreign smelters. The greater part of the silver from the ores and concentrates treated by the two companies mentioned above is extracted by cyanidation, and the residues, which may contain arsenic, cobalt, nickel, and some silver, are either sent to the Deloro Smelting and Refining Company or are exported for treatment to foreign smelters. There were 26 shipping mines in the silver-cobalt industry in 1925. The output of ore was 357,029 tons, the quantity milled amounted to 359,788 tons, and the concentrates produced totaled 6.449 tons. There were 176,511 tons of material cyanidated. Silver bullion production amounted to 6,079,142 ounces.

Payrolls Are High

Shipments of ores and concentrates to points outside the camp amounted to 8,086 tons in 1925, as against 7,231 tons during 1924.

Salaried officials numbered 136 in 1925, as against 132 in 1924. Wage-earners increased in number to 1,936 persons from the total of 1,637 in the previous year. Salaries and wages totaled $2,576,414. Fuel used cost $498,874 at the mines; this sum included $258,000 spent for electric power. Equipment employed consisted of 225 units having a total rating of 8,897 h.p.

Although a small amount of lead is produced from the silver-cobalt ores, the greater part of Ontario's lead production is derived from the lead mine at Galetta, in Carleton county. The ore of this mine carries no silver and only a small amount of zinc. A separation is made of the zinc and lead concentrates, the zinc concentrates being accumulated for shipment to foreign smelters; the galena is smelted to high-grade pig iron lead on the property.

B. C. Ranking High

British Columbia, which holds second place among the silver-producing provinces, and first place among the provinces producing lead and zinc, contributes amout 42.5 per cent. of the Dominion total of silver, 96 per cent. of the lead, and 90.7 per cent. of the zinc; most of this yield being obtained from the smelting of silver-lead-zinc ores. In this province, production of these three metals has increased remarkably during the past three years. With the early development of the silver-lead ores of the Kootenays, silver production reached about the five-million-ounce mark in 1897, only to fall away to about three million ounces in 1899. Again, in 1901, the five-million mark was reached, but by 1911 production had fallen to less than two million ounces. From that time forward the output increased; first, through the demand created by the war, and later as a result of the development of the Premier mine in Northern British Columbia, and also because of the application of flotation methods in the treatment of silver-lead-zinc ores. Another factor contributing to the growth was the rise in the prices of lead and zinc and the maintenance of the prices at generally high levels. Increased production of the famous Sullivan lead and zinc mine also added appreciably to the silver output; indeed, this mine, though nominally a lead-zinc property, was, in 1925, the largest silver-producing mine in Canada.

Ores Are Smelted

The Trail smelter buys silver-lead-zinc ores, but much silver and some lead are contained in ores exported by the mines on the coast; most of these ores are mined primarily for their copper and gold values, but the other associated metals, including silver, are recovered in the smelting process.

In the Yukon the Keno Hill district is the principal producer of silver and lead. According to a report given to the Mining Lands Branch of the Department of the Interior by the Gold Commissioner of the Yukon, it has been shown that ore values continue with depth. The Treadwell Yukon Company, Limited, is the largest producer in this district, having shipped 1,457 tons of ore and concentrates during 1925. The mill, which was completed in the summer of 1925, has worked to full capacity since it started, and has treated ores from other mines in addition to those from the company's own mines. This has been of great assistance to the smaller operators, who have thus been enabled to continue development work with the proceeds.

Production of silver-lead-zinc ores in Quebec is carried on in the vicinity of Notre Dame des Anges, where ore was discovered in 1910. Several early attempts to concentrate this ore failed but more recently, as the result of a selective flotation process, worked out by the Mines Branch, Ottawa, about the end of 1924, production has been carried on successfully, and about four times as much ore was shipped in 1925 as in 1924.

94 Mines Producing

Producing, concentrating, smelting and refining of ores of the silver-lead-zinc group is an industry that is fairly well confined to the province of British Columbia. But, as already noted, there are lead-zinc properties in the Yukon, the Galetta property in Ontario, and the Tetreault mine at Notre Dame des Anges in Quebec.

As thus defined, the silver-lead-zinc industry represented 94 mines operated by 89 concerns in 1925. Ore raised from these mines totaled 1,474,764 tons, of which 1,392,892 tons were milled, yielding 173,665 tons of lead concentrates and 173,894 tons of zinc concentrates. Shipments of lead ores, lead concentrates, zinc ore, zinc concentrates and dry from the mines during the year totalled 381,760 tons valued at $21,902,686. As determined by settlement assay the total metal contents of these shipments included 2,356 ounces, of gold, 6,701,313 ounces of silver, 250,184,565 pounds of lead, and 177,401,660 pounds of zinc.

Near Four Million Paid

Capital employed in this industry in 1925 was $15,735,930, including over 11 million dollars in costs of buildings, plant, machinery and tools, about 1 million dollars for costs of supplies and stocks on hand, and 3.4 million dollars in cash, trading and operating accounts. Salaries totaling over $322,000 were paid to 150 people, and wages amounting to over 3.5 million dollars were distributed among 2,388 workers. Fuel used during the year cost $584,000, of which $307,000 was paid out for electric power. Of the total capital invested, over 9 million dollars were employed in British Columbia; and, of the total wages, more than 3 million dollars were paid out in the same province, thus lending emphasis to the statement made above regarding the importance of silver-lead-zinc mining in British Columbia.

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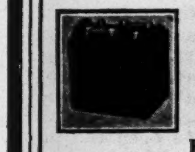

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Mining Shares Show Tendency to Soften as Christmas Approaches

Figures for Five Years Indicate This — May Not be Safe Guide, However

MANY FACTORS ENTER

Profits of Past Five Years in Stocks of Producers Have Been Large

Does the mining market sag as Christmas approaches?

This is a question asked yearly. There are some who have a fixed opinion of the matter. They hold that it does. Some of these have paid dearly for playing their hunch or information. They have sold hoping to pick up bargains and have had to buy their way back at higher prices. On the other hand there are indications that the market does become soft around the height of the festive season. The public withdraws its interest temporarily and it gives the bears a chance. Besides, Christmas always brings along a considerable amount of profit taking and with little buying, this selling has a tendency to weaken the market.

No Safe Guide

There is no sure rule to go on. Leading authorities on the stock market state that so many elements enter into the situation, that they would hesitate to hazard a prediction. It might here be noted that many of them are bullish this year. They say that the industry is in a strong position, money is free and stocks are so scarce that they would be surprised to see the market soften to any degree, if at all.

If they are right, then figures on past year's performances are of but little value. Such is generally the case with figures when there are numerous factors governing a situation. Nevertheless, a review of the factors and their intelligent application to previous years, are valuable in judging a situation in so far as it can be judged. The present situation would seem to favor a strong market.

The table below will be found to give three sets of figures on December prices for the five years. It will be noticed that each year the majority of the stocks softened sometime between the first of the month and the last. This would indicate that sometime in December, stocks not strongly supported in the market and no subject of special news at the moment, have eased some time during the month and strengthened before the end of the year was reached.

The public is principally concerned with the market this year and the review of the year, leading up to the present time has its interesting phases. It will be found that the 22 stocks given are now selling below the high for the year while 21 of them are selling above the low for the year. Twelve of them are now selling below the price which prevailed on Dec. 1, which may be taken to indicate that the market has already turned a little soft, which is fairly generally known. On the other hand there has been some little recovery from this softness and it will be seen that the present level of several stocks is above the low for this month.

Tremendous Profits

Perhaps the big point that stands out in reviewing such a table is the tremendous profits that have been made in stocks of the various producing mines. It is rather striking that in practically every case these big profits have come after the mine was on a producing basis. Take the stocks of the non producers and average them up against the producers and the profits will be found to be neglible.

Smelters has been the attractive stock. In five years it has moved up from a low of 18 to a recent high of 265. Less than two years ago it could be purchased for 49.

How Dome Fared

Dome has had ups and downs. Those who pinned their faith in Dome as against Hollinger, made money if they were willing to take profits when the stock was high, but those who pinned their faith in the investment possibilities of Dome as against Hollinger and McIntyre have been out of luck. Dome, as will be seen from the table, has been highly speculative. At the beginning of the five year period under review, Dome was selling at $45, or $22.50 for the present shares, those who purchased at that level and have hung on are just where they started. All they have for their money is a little fun. They are down $10 a share which is just the amount of the dividend they will have received.

Kirkland Lake Profits

While Hollinger is about three times its low of 1922 and McIntyre 50 per cent. higher, Lake Shore, Wright Hargreaves and Teck Hughes, have been spectacular in their movements. Lake Shore, it will be seen is selling more than 10 times its 1922 low price and Wright Hargreaves about 4 times. Teck Hughes has been more spectacular than either. Its low of 1922 was 15 cents and this year it sold up to $5.

Some of the silvers have been interesting. Nipissing Mining Corporation and Coniagas stand out. They have all been down and to many out, but they come back. Beaver and La Rose are two others. The latter seems to be in a bad way now and is being reorganized. Some new and interesting stocks have come on the market in the period under review, but not all are covered in the table. The same with some of the stocks that have gone off the market. In looking over the list one cannot help but be impressed with the fate of Hattie when it is remembered that in the early part of the period under review it sold up to 48. The public paid.

	1922					1923					1924				
	Year H.	Year L.	Dec. 1 Level	Dec. Low	Dec. 31 Level	Year H.	Year L.	Dec. 1 Level	Dec. Low	Dec. 31 Level	Year H.	Year L.	Dec. 1 Level	Dec. Low	Dec. 31 Level
Argonaut ...	.59	.37	.55	.50	.51	1.00	.50	.60	.50	.56	.63	.20	.21	.20	.29
Beaver	.36	.18	.29	.28	.28	.52	.19	.25	.19	.23	.32	.13	.23	.21	.26
Cons. Smelt..	.28½	.18	.27	.24	.27	.31	.25	.27	.27	.31	.49	.30	.47	.44	.50
*Dome	45.75	19.75	41.00	40.00	43.00	44.50	31.50	20.25	19.60	20.15	20.45	13.15	13.85	13.00	13.40
Hollinger ...	13.25	7.75	11.60	11.48	12.10	13.55	11.00	11.50	11.30	12.00	15.50	11.90	14.55	14.00	15.50
Kirk. Lake ..	.47	.27	.43	.37	.39	.60	.13	.31	.13	.17	.30	.16	.25	.25	.30
LaRose	.67	.22	.22	.22	.24	.39	.20	.20	.20	.20	.29	.05	.05	.05	.06
Lake Shore ..	2.99	1.30	2.85	2.81	2.86	3.70	2.85	3.50	3.35	3.50	4.50	3.50	4.25	4.20	4.50
McIntyre	20.10	16.00	17.25	17.25	17.75	19.85	16.10	18.00	18.00	18.25	18.60	14.80	15.40	14.80	16.00
Min. Corp. ..	1.15	.80	.90	.85	.85	3.30	.95	3.07	2.90	3.07	3.77	2.35	2.56	2.53	2.87
Nipissing ...	7.00	5.50	6.05	5.75	6.05	6.75	5.40	6.25	6.20	6.50	6.55	5.90	6.00	6.00	6.55
Teck-Hughes	.98	.15	.85	.74	.84	1.45	.83	1.20	1.15	1.27	1.35	1.05	1.15	1.11	1.23
W. Hargr's..	3.35	2.40	3.15	3.00	3.05	3.70	2.83	3.10	2.90	2.83	4.00	2.85	3.85	3.81	4.00
Castle	.32	.18	.25	.23	.24	.60	.23	.41	.40	.58	.81	.61	.71	.70	.71
Vipond	.70	.54	.56	.56	.69	.97	.45	.94	.90	.95	1.40	.98	1.25	1.22	1.33
C. W. Dome..	.40	.25	.29	.25	.28	.28	.23	.27	.24	.31	.27	.15	.16	.15	.16
Goldale	.59	.37	.40	.37	.40	.66	.37	.50	.48	.48	.49	.14	.17	.14	.19
Coniagas	1.70	1.00	1.80	1.60	1.75	3.10	1.85	2.25	2.15	2.20	2.40	1.15	2.25	2.00	2.40
Keeley	..	..	..	..	..	..	..	..	..	..	2.60	2.10	2.20	2.10	2.15
Barry Hol. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Can. Lorrain.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T. Oakes B. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

	1925					1926				
	Year H.	Year L.	Dec. 1 Level	Dec. Low	Dec. 31 Level	Year H.	Year L.	Dec. 1 Level	Dec. Low	Present Level
Argonaut ...	.44	.14	.16	.15	.16	.67	.19	.58	.52	.57
Beaver	.56	.26	.51	.49	.51	.99	.53	.62	.59	.60
Cons. Smelt..	1.82	.49	1.52	1.46	1.82	2.65	1.77	2.59	2.51	2.62
*Dome	18.00	13.10	17.75	16.75	16.95	20.00	8.00	12.50	11.10	11.75
Hollinger ...	17.50	13.60	16.95	16.80	17.50	20.00	17.40	18.90	18.80	18.80
Kirk. Lake ..	.90	.34	.76	.70	.86	1.44	.69	.81	.79	.82
LaRose	.51	.12	.38	.38	.40	.39	.05	.05½	.05½	.06
Lake Shore ..	10.00	4.50	9.75	8.70	9.60	15.25	9.85	14.50	14.00	14.10
McIntyre	22.75	16.00	21.85	21.75	22.75	29.75	22.30	24.70	24.30	24.50
Min. Corp. ..	3.40	2.40	3.10	3.05	3.40	4.45	2.70	2.80	2.75	2.80
Nipissing ...	6.70	4.60	5.30	5.25	6.60	7.50	5.50	6.50	6.40	6.50
Teck-Hughes	2.63	1.23	2.25	2.24	2.63	5.00	2.64	4.92	4.80	4.85
W. Hargr's..	7.90	4.20	7.75	7.00	7.80	9.50	7.25	9.25	9.05	9.10
Castle	1.60	.75	1.46	1.40	1.50	1.85	1.35	1.14	1.10	1.15
Vipond	1.61	1.05	1.35	1.28	1.61	2.00	1.56	1.59	1.55	1.60
C. W. Dome..	.18	.11	.17	.16	.24	.29	.14	.22	.23	.23
Goldale	.37	.16	.35	.30	.37	.43	.24	.30	.29	.29
Coniagas	4.60	1.50	4.05	3.75	4.60	4.80	3.20	4.50	4.45	4.45
Keeley	2.38	1.43	1.45	1.44	1.67	1.91	1.42	1.54	1.50	1.52
Barry Hol. ..	.49	.19	.26	.25	.25	1.00	.22	.87	.86	.90
Can. Lorrain.	.80	.23	.71	.67	.74	.93	.50	.64	.63	.63
T. Oakes B. .	.61	.23	.49	.48	.55	.65	.36	.60	.59	.60

* Stock split 2 for 1—Nov. 15.

Smelters May Erect Copper Smelter on Coast; Has Two Mines

Big Developments Are Pending in B.C. in Copper Mining Industry — Two Important Developments Are Now Going On

Copper developments in British Columbia loom important for 1927. It is quite possible that Consolidated Smelters may move its copper operations to the coast and erect a smelter.

Considerable interest has been shown during the past year in the future of Coast Copper Company, Ltd. This mine is located on the West coast of Vancouver Island and is controlled by the Consolidated Mining & Smelting Co. The capital is $1,000,000.00, consisting of 200,000 shares of a par value of $5.00, of which the Consolidated own approximately 110,000 shares. There is an issue of $750,000 ten year 6 per cent. convertible bonds, due 1927, which is entirely owned by the Consolidated.

Results Splendid

During the past ten years a great amount of work has been done on this property, and it is reported that the work has produced splendid results. Very little definite information can be given in regard to the ore which has been blocked out, but according to reports by those who have visited the property the tonnage already developed must be of great extent.

A significant fact in regard to this property is the statement made at the last annual meeting of the Consolidated Mining & Smelting Company in the Manager of Mines' report under "Controlled Properties" that "On the Coast Copper development work was continued and comprised further extensions of the north and south drift with crosscutting and diamond drilling. Results were again encouraging." This statement, in the face of the expenditure of probably millions of dollars and also the fact that at the present time a large number of men are still employed on building roads, railway and the further development of the property would appear to be evidence of the great value placed on Coast Copper Mine by the management of the Consolidated.

May Build Smelter

It has been thought for some time that the future plans of the Consolidated include the building of a large smelter on the Pacific Coast, and in this development it is expected that the shareholders of the Coast Copper Company will participate. In this connection the Sunloch Mines would be taken into consideration. Sunloch Mines, Limited, capital $1,000,000, par $1.00, was acquired in 1917, by the Consolidated Mining & Smelting Company through the purchase of a majority stock interest. The property consists of 22 claims on the Jordan River, 42 miles from Victoria. Considerable development has already disclosed large bodies of high grade copper, but at the present time we understand no work is being done on the property.

W. F. Irwin, of R. P. Clark & Co., Vancouver, who is in close touch with the situation, says that very few of the shareholders in either of these companies have been willing to part with their shares, the opinion being held that one of these days substantial profits will be made by the shareholders. Up to the present time no definite announcement has been made in regard to the Pacific Coast mines, but certainly the situation seems to be shaping up to great possibilities for very large mining development in this Province.

NIPISSING SHARES ADVANCE

Interesting developments on Nipissing property in South Lorrain carried the shares of that company over $7.00 this week. This is the highest level the Nipissing market has reached in several years. The last real flurry in Nipissing shares was at the time the company started to drill for oil in Texas.

MANITOBA MINING HAS HAD MOST ENCOURAGING YEAR; OUTLOOK IS GOOD

(Continued from page 17)

the underground sampling. The property will be diamond drilled during the winter. Discoveries have been made at Garner lake, Gem lake, Slate lake and Bidou lake, and in the original Rice lake district the San Antonio vein is being opened up. North of the Hole river, the Ling and Betty claims in the English Brook area are being prospected. The Ling claim shows considerable telluride.

In the field north of The Pas the main work during the year has been in connection with the copper zinc sulphides at the western end of the mineral areas. At the Flin Flon property the framework of the experimental flotation plant is near completion, freight has been rushed through during the last months of open water and the heavier machinery will be brought in over the ice. The plant will be ready early in the New Year, and will test out on an operating scale the process of separating the zinc and copper ores, and recovery of the precious metals which has been investigated at Denver during the past two years. Before the end of next summer it should be possible to decide whether the process is satisfactory, and whether the mine will be opened up.

Properties Farther North

At the Sherritt property, east of Cold lake, the preliminary diamond drilling was completed before break-up last spring, and it is understood that a considerable ore body in zinc and copper was blocked out to the 300-foot level. The trenches show rather coarse grained sphalerite and chalcopyrite at the southeast and northwest ends of a two mile shear in sediments which dip flatly to the northeast. The property is 40 miles due northeast of the Flin Flon property. If the Flin Flon were operating, the development of the Sherritt property would be expedited. It is probable that the company which now holds the option on this property will proceed to diamond drill at depth this winter. There are other zinc copper properties of interest in the Cold lake area, and the whole territory between Flin Flon and Cold lake will be subjected to careful prospecting. Copper showings south of Aimee lake and on Thompson lake, as well as the Baker-Patton property, may early be diamond drilled. Some work has been done on gold properties in the Herb lake, Little Herb lake, and Snow lake areas. Mill tests were run on the Bingo vein-rock and some progress was made on the Cyclone group at Little Herb lake. The Elbow lake area was quiet during the year.

In the lithium bearing pegmatites east of Point du Bois and northeast of Lac du Bonnet, shipments will shortly be made from the Silver Leaf property both to England and to the Continent. There are now three main areas—the original Silver Leaf area, the Cat lake area and the Bernic lake area—with interesting and important associations of lithium minerals. Some progress has been made in the investigation of methods of refining, both in England and locally and the market possibilities have been fully explored. There is a fair prospect for a local refining industry.

Abana Directors Reply to Criticism

Pres. Lamatte Writes Financial Post Regarding Recent Article

Sir: An article which appeared in your issue of Nov. 19 relating to the affairs of Abana Mines, Limited, was not only erroneous but unjust to the board of that company.

On account of the pressure of professional duties it has been impossible for me until now to call your attention to the inaccuracies which it contained. It is not my intention at this time to deal with the accusations made against the directors as the board will have occasion in the near future to offer a complete explanation of the origin of the existing difficulties. This will be, I think, of such a nature as to satisfy everyone who is not prejudiced that the board of directors has been treated unjustly.

However, it would be injudicious to leave unanswered statements which are of a nature to cause injury to the Abana Company. It would appear that there has been a conspiracy, not only to place the directors in a false light, but to depreciate the value of the company's shares.

In your article you mention that the amount disbursed for the development of the property was $15,410.28 and that administrative expenses totalled $13,389.53. These figures are derived from a trial balance sheet covering operations from the inception of the company to Sept. 27, 1926, but is only a portion of the financial accounts issued in the same statement. The obvious intention of these comparisons was to indicate that the directors had been extravagant in the administration of the company's affairs.

This, however, is not the case as I will proceed to show you. The company realized from the sale of shares the sum of $54,077.50. This was employed as follows:

Development of mine	$15,410.28
Purchase of machinery, installation and equipment	11,788.60
Construction of buildings	4,248.52
Construction of road	787.50
Fuel	3,293.50
Powder, dynamite, etc.	1,117.28
	36,645.68
Add cash on hand	1,319.84
Total	$38,03.52
Paid on account of the property	6,000.00
	44,037.52

As regards administrative expenses it is only fair to deduct certain amounts which should have been properly charged to development. These are as follows:

Salary of Mr. Spearman, consulting engineer		$2,800.00
Salary of superintendent......		1,833.33
Salary of manager		1,000.00
Survey work on claims		927.50
Travelling expenses—		
February	$105.95	
May	94.75	
June	74.45	
July	123.99	
August	85.95	
		485.09
Making a total of.............		$7,045.92

This gives a total of $7,045.92 which should properly be deducted from the amount charged as administrative expenses so that the financial statement should be given as follows:

Expenses on account of mine..	$7,045.92
Administration expenses	4,866.51

It is well to add that the amount of administrative expenses includes office rental, salary of account and $1,250 legal expenses.

To summarize the above figures, out of $54,077.50, there appears to have been spent on account of the property or for the development of the mine, a total sum of $51,083.44.

I do not believe that it would have been possible for a board of directors to have administered the affairs of the company with greater economy or to have obtained better results with the same amount of money. The company has done all the assessment work required by law; carried out diamond drilling operations, provided all necessary buildings and sunk a shaft to a depth of 110 feet.

The directors have been accused by certain shareholders of having acted in an autocratic manner. This accusation is entirely unfounded. With a view to obtaining funds necessary te continue the work of development the board deemed it necessary to submit a plan of re-organization to the shareholders. It was considered that this could not be accomplished otherwise. As this plan appeared to meet with disapproval at a meeting of shareholders the directors declared that they did not seek to impose their plan upon them but were ready to adopt any other plan which would assure the satisfactory financing of the company's work. It was then that a certain number of shareholders, instead of trying to find a plan and to come to an understanding with the board who were willing to meet their wishes, deemed it expedient to initiate injunction proceedings against the company to prevent them from carrying out their plan to obtain the necessary funds.

Furthermore, the board has declared to these shareholders for the last two months that it stood reauy to accept any suitable financial plan which they might propose.

We have also been reproached for having obtained two charters of incorporation; one for the purpose of acquiring the assets of Abana Mines, Limited, and the other designed to finance the company. In this connection I would like to point out that time was a factor of great importance to the company and its progress, and it was felt that in doing this work in advance much delay would be avoided. It is no innovation for a board of directors under such circumstances to develop a plan in such a way that it can be acted on promptly and carried into effect with the least possible delay. As the board felt that this was the safest and best way to proceed, and entertaining no doubts that it would be acceptable to the shareholders, the necessary detail was carried out and was ready for submission to the shareholders at the meeting. As it transpired that the plan was not acceptable these charters will not be used for the company's purposes and it will not have to pay one cent for the expenses of incorporation. It is only I who suffer the loss and I make no complaints on that score. But I do object to the accusations which have arisen out of an effort which was designed in the best interests of the shareholders as a whole in whose interests the board devoted their fullest efforts.

Your article also contains the assertion that the opponents of our re-organization plan accused the directors of having trafficked in the shares of the company. This is false, and we defy those who have given you this information to prove their assertions.

I would ask you to be so kind as to give this letter the same prominence in your publication as the article contained in your issue of Nov. 19.

Yours truly,
J. C. SMEATHE,
President.

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Mining Inquiries

Dome

I hold Dome bought at 19.90. Would you sell it?

Dome is coming back and you had better ride with it.

Gold Hill

I am thinking of selling some dead mine stocks I hold and thinking of buying Gold Hill. Will it do better?

Gold Hill is a speculation that will do much better. The company has made excellent progress.

Barry Hollinger

What about a speculation in Barry, Hollinger and Argonaut? Would I lose everything?

Barry-Hollinger is a speculation with possibilities. It is producing and has considerable ore ahead.

Three Are Insolvent

I hold Union Pacific Cons., Alberta Petroleum Cons. and Herron Oil and Gas, Alberta stocks. What are they worth?

Union Pacific Consolidated became insolvent, the shares are worthless.

Segur and Heron met a similar fate.

Noranda

What do you think of Noranda as a speculation or investment?

If you will look over the front page of our mining section of last week you will find an article on Noranda that may interest you. We regard the stock as excellent for a long hold.

Crown Reserve

I have Crown Reserve costing 63, Laval 37½. Would you sell and get into something else?

Crown Reserve does not look good. Over a period of years you might get your money back, but THE question is, is it worth the wait?

Rouyn Boischatel

What do you think of Rouyn Boischatel mines?

Rouyn Boischatel Mines has secured some attractive looking properties in Quebec and already some encouraging results have been met with in surface exploration.

Keeley-Goldale

I have been told to buy Keeley and Goldale. Is the advice good?

Keeley is a dividend payer giving a good yield. Goldale has a material interest in Concanium which is doing excellently and has other attractive properties as well.

Mining Corp. Dividends

Do you think that Mining Cor. will pay its dividend at the end of the year? The action of the market would indicate the answer is no.

We are not close enough to the powers that be to get inside data on the company's dividend intentions, but the prevailing opinion is that the dividend will be continued.

Drilling at Bow Island

I have some lots in Bow Island. What effect will the drilling for oil there have on them? Has Imperial a good well?

Imperial Oil got a fair oil showing in its Bow Island well. It is understood that the well is now ready for a test. If you watch the mining columns of the Post you will be able to learn the result of this test.

Canadian Kirkland

Would it be worth while to accumulate a bunch of Canadian Kirkland and hold on to it?

Canadian Kirkland is dormant and has been for years. I think the property has merit and some day something will be done with it. If you can get the stock cheap enough and have the patience to hold it, it should make you some money.

United Algoma

How about United Algoma and Grace Mines? This proposition seems to be so involved that I cannot conclude who controls it.

United Algoma Mines, Mines and Power Corporation, Grace Mines, and I think one other Company, all have their fingers in the Grace Mine, a promising property in Michipicoton. The proposition seems involved in deals and options.

Argonaut

A customer bought considerable Argonaut at present prices. What are his chances?

Argonaut Consolidated seems to have worked into a much better position and its possibilities are much improved. In well informed circles the shares are regarded as a good speculation. Developments on the 875 and 1000 foot levels have indicated good shoots of high grade gold-copper ore.

Good Quebec Speculations

I am thinking of buying Duprat, Stadacona and Towagamac as speculations. Have I a chance to make a profit?

Duprat looks like a good speculation. It is a prospect well located and in good hands.

Stadacona looks to have speculative possibilities but may be a long hold.

Towagamac is considered very attractive.

Vipond-Noranda

I bought Teck-Hughes at $1 on your advice. How about my buying Noranda or Vipond or both?

Very glad that your Teck Hughes speculation has worked out so well and judge that you would have a similar experience if you followed your hunch and purchased Noranda or Vipond or both. Vipond will likely go on the dividend basis after the first of the year. Both companies are in a very strong position and we should judge that they are approaching the time when the real appreciation in value in both stocks will take place, the same as it did in Teck Hughes.

Nipissing

How do you regard the future of Nipissing?

Nipissing Mines are doing fairly well on the old Cobalt property. They are earning enough to pay dividends and finance operations in South Lorraine and in the Quebec field. I believe this company is having very good success in South Lorraine and the property it is working has the earmarks of a mine. It has also met with very favorable success in the Quebec field and we think as a hold that the stock has great possibilities.

Turner Valley Stocks

What do you think of Turner Valley Oil stocks. What stocks are regarded as the leaders.

Turner Valley stocks are gambles or speculations. None of them are in the investment class. Vulcan, $5.50; Dalhousie, $1.70; McLeod, $4.90 or Royalite, $20 look like the leaders; all but Dalhousie are producing. You will find advertisements of several reputable brokers dealing in Alberta oil stocks in the mining section of The Post.

Towagamac

What do you hear about Towagamac? Is the stock selling too high? What are Alderson and Mackay financing plans?

Towagamac Shares look high at the present prices of around $5, but the general opinion is that it will sell much higher and is regarded excellent for a hold. We do not know the financing plans of Alderson & Mackay. Their deal with Noah Timmins Inc. is that they shall spend a stated amount monthly on the property and if any public issue is to be made, Alderson & Mackay or Towagamac Co. have the underwriting privileges.

POWER FOR CENTRAL MAN.

Central Manitoba Mines has signed a contract with Manitoba power to build a power line to the mine, about 55 miles, and power will be available about March.

CANADIAN LORRAIN MILL

The mill at Canadian Lorrain started this week and will gradually be stepped up to 60 tons daily.

KIRKLAND TOWNSITE

Kirkland Townsite has decided to resume work and will carry the shaft down to 700-ft.

UNLISTED MINES

We quote the following nominal markets in unlisted mines:—

Abitibi Gold	02	04
Brit. Canadian	25	30
Can. Assoc. Goldfields	10	13
Canadian Kirkland	01¼	03
Elliott Kirkland	Bid	Offer
Fiske Gold	11	13
Gold Acre	02	04
Gold Centre	04	07
Goodfish Gold	08	11
Goudreau Gold	13	15
Grozelle Kirkland	08	11
Howey Red Lake Units	120.00	135.00
Harker Gold	16	19
Harvey Kirkland	06	08
Kirk Gold	17	20
Kirkland Hudson Bay	15	18
Kirkland Townsite	Bid	Offer
Manley O'Rielly	10	12
March Gold	00	11
Ore Chimney	14	18
Osisko Lake	1.30	1.40
Quebec Gold Belt	00	75
Sylvanite	2.55	2.65
Walsh Katrine	10	13
United Algoma	Bid	Offer
Blue Quartz	20	Offer

Specialists in unlisted mines.

The Continental Bond Corporation, Limited
172 Bay Street Elgin 3176 Toronto

NEW MACASSA SHAFT

It is understood that Macassa Mines, Kirkland Lake, will enlarge its exploration program and will likely sink a new shaft.

Advertising as an Aid to conservatism in mining finance

ANSWERING a question as to why a company so strongly sponsored and financed should ever advertise, we recently replied, "Our advertising has enabled us to secure mining money on a basis which would do credit to an issue of high grade bonds."

The history of the financing of the Archean and Harvie operations is generally known, but we are glad to take this occasion to enlighten those who are just now becoming "mining conscious," of some of the problems of mining finance.

A small group of men planning an organization to be built on a technical theory and an ideal, faces a difficult problem. Fortunately we are able now to discuss it in the light of a very considerable triumph for the technical theory, and an overwhelming vindication of soundness of the financial policy adopted.

The problem is how to finance each stage without jeopardizing control; without making an initial sacrifice in the capital arrangements which may for years be a stumbling block to proper later financing; without paying for capital a price so exorbitant that the amount provided for development is insufficient, leaving the whole enterprise in danger. There are many other aspects of the problem but these are sufficient to make it obvious that a financial policy must be as farseeing as a programme of mining development.

In the first place the whole plan must be sound and fair—fair in the sense of providing an equal opportunity for all who participate in accordance with the stage of risk at which they enter; in other words one man should not be asked to put up money to help give value to stock which another man has received without having given adequate value in return.

With this as the foundation it was decided to enlist the interest of the thoughtful type of investor—the man who, seeing the brilliant possibilities of individual enrichment in the next decade in Canadian mining, is carefully seeking an opportunity to ally himself with an organization which combines knowledge, ability and integrity, the three prerequisites of "a fair run for his money."

Opinions differ as to the relative value of the support of two men with $50,000 each as compared with one hundred men with an average investment of $1,000. The answer must be obvious to anyone. Those who depend on one or two men place upon those men too great a share of the load because a mining success is rarely achieved without those experiences and periods which try the hearts of all concerned. In addition what company has not had the experience of counting on one man whose personal circumstances have changed, perhaps only temporarily, but nevertheless leaving him short of liquid resources just when his support is most needed.

Hence it was determined to cultivate a wide field—one which would always be plowed many months ahead of requirements.

After the most exhaustive consideration it was decided to employ a particular type of advertising—clear exposition of fact—and make it take the place of expensive offices and equally expensive salesmen.

The result has been as great a source of pride as that which has attended the application of a geological theory to the combing of a great area for mineral deposits. The early and most difficult phases of financing were accomplished in a manner which is recognized as almost unique in the annals of mining finance.

There are those who say that a successful mine is profitable enough to make careful financing unnecessary, but it stands to reason that every share unnecessarily issued lowers the proportion of profit on all the other shares.

Harvie Mining Exploration Company, Limited

Robert Harvie *President*

Canada Cement Building
Montreal, December 9th, 1926

Dr. Robert Harvie has prepared a booklet entitled "Points worth serious consideration in mining investment." Copies will be gladly furnished on request.

$5 will bring you The Financial Post for the next twelve months.

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Name ....
Occupation ....
Address ....

McAuley, Creative Worker in Finance

(Continued from Page 10)

steaks and baking bread for Edmonton folks. They were active at a time when there were still thousands in that city who had never heard of the natural gas eighty miles from them and many hundreds who would take their Bible oath that there was no gas there. Together they worked slowly to find the gas, map out pipe lines, pave the way for getting a franchise, scour the money markets for a sign of willing capital and keep the project moving forward step by step. In 1922, McAuley bought out Coste's interests, and finally, in the following year, carried the project through to completion, raising the capital and getting gas mains under Edmonton's asphalt. The company that functioned to do the work was the Northwestern Utilities, a McAuley baby, now a $5,000,000 enterprise.

Not an Easy Task

Financial men at the time gave Northwestern Utilities credit for having done the difficult thing, almost the impossible. In the first place, McAuley had to establish the Viking field, which he did, drilling ten wells and proving up 27 square miles before a dollar of bonds could be sold, except in the form of a small note issue, which was marketed on a basis that made the cost of the money staggering. Then he had to go into Edmonton, which owned its own street railway system, its own electric light and power system and even its own telephone system, into an almost rabidly public ownership community and get a franchise for a private company to sell gas. He had to sell Edmonton people, who thought that nothing was good if it savored not of socialism, on the idea of letting him tear up the streets to put in his gas pipes. It took weeks of sleepless effort, working with R. B. Bennett, K.C., leading lawyer of the West to get the franchise. Along with the franchise he got his grey hairs. When he finally secured the franchise from the city and the provincial board of public utility commissioners, it was a twenty-year renewable contract, permitting him to earn a fair return on all the money put into the development. Then he had to build a pipe line 77 miles long to bring the gas into the city. This too was done. Edmonton was given gas; Edmonton, the only city of its size on the continent that had neither artificial nor natural gas supply up to that time. McAuley is still vice-president of the company and rather proud of it.

Best Man Secured as Client

He made a move at that time that was typical of his methods. Hunting around for some one to run the company, he chose a man, than whom there was not better person available. This was Christopher J. Yorath. Yorath was a municipal administrator of of rare ability. At Saskatoon he has proven his mettle by taking the enlarged financial burden of that city and boiling it down to a compact load that the tax-payers could carry without complaint. Chiefly he did it by putting business methods into the operations of the city's over-extended public utilities. He did the job so well that Edmonton reached out and gave him a similar job to do in that city and again he applied the magic wand of budgetary control with the unyielding touch of economy and made profits grow where deficits had blossomed before. It may be an ironical comment on civics and democracy to say it, but the truth of the matter is that Yorath was too good a man to stay on any city's pay roll. McAuley got him for Edmonton's gas company.

Forms Giant Holding Company

About that time, McAuley joined with others in the formation of a large holding Company called the International Utilities Corporation, with head offices in New York. This company holds control of the Edmonton company, of the Calgary company and of public utility companies all over the United States. T. A. McAuley is vice-president also of the International Utiltites Company.

What did the East offer in 1923 that the West did not have for the young man in finance? It was about that time that W. W. Evans, a young Winnipeg financier and lawyer, came down from Winnipeg to establish his headquarters in Toronto. It was in 1923 too that Mr. McAuley came East, seeking new fields to explore. He made his home in Toronto and proceeded to sit back and acquaint himself with the East and its ways of doing things. For a whole year, he did nothing but look about. He was determined that he would not walk into any traps that might be set for the unwary tenderfoot from out of town. And a year's observation found him his new field. It was in the field of food.

"There are three promising fields for investment in Canada to-day, that strike me as having peculiar advantages," Mr. McAuley told me the other day, thus giving me some insight into the workings of the force that took him from gas to food in his financial operations.

Foodstuffs and Utilities

"These three fields are public utilities; pulp and paper; and the distribution of pure food. Why Canada is a good field for pulp and paper investment is quite evident. Public utilities make sound investments because they supply the public with light, heat and power, which are daily wants, necessary in good times and bad. Public utilities have stable earning power. And the same applies to food. People must eat, whatever they buy or refrain from buying, and retailers of food, if they keep pace with the changing trends in merchandising, are assured of stability of earnings. They are really a public utility in that sense."

Mr. McAuley went into the pure food business. Piggly Wiggly had ushered in a new idea in the distribution of food. Chains of stores were attempting to reduce the cost of distribution; cutting out the service in the grocery shop was cutting the cost of setting the table, for the woman who was ready to do without service, ready to take her market basket on arm and walk "piggly-wiggly" through a maze of shelves, picking off the shelves what she wanted to buy.

Raising $200,000 Now Easy

Mr. McAuley acquired control of Piggly Wiggly rights for Eastern Canada, taking over the four stores operating under that name in Montreal. He raised the necessary $200,000 by selling a little preferred stock issue. He did not have to invite the public in. There were enough men who had watched him in action and were convinced of his ability to take up the stock without any public offering. Promptly, the number of stores in the chain, operated as a company under the name of Eastern Canada Stores, was raised to twelve.

Then came the Arnolds deal. McAuley went to the Arnolds with a proposition: he would form a new company and buy them out and see that enough new capital was put in to make their stores one of the important merchandising organizations of Ontario. Thirteen months ago the stock issues were sold. The five stores, that were the product of the rather progressive methods of George and Harry Arnold were made the nucleus of a chain that is now fifteen stores.

Again Best Man Given Job

Just this week, Mr. McAuley bought the two brothers out for cash, giving to him and his associates complete control. First move again was typical, duplicating the appointment of Yorath to the Edmonton post. McAuley has secured as general manager of Arnold Brothers a man who has been in the chain store business for a longer number of years almost than chain stores have existed on this continent.

Plans for the expansion of the Arnold chain are in mind. To it will likely be added another chain already established and many new stores will be opened.

Formation of National Milk Products was a logical development of the chain stores. The stores needed butter, cream and powdered milk. Mr. McAuley bought a plant at Gananoque, making all these, and raised enough new capital to enable a new plant to be built, modern and efficient. Again an outstanding executive in that field was assigned to run the company.

Management Key to Success

"Success depends upon management," says Mr. McAuley. It depends on management to such an extent that no man can afford to entrust his money to men who are not the best in their field. Dollars invested in executive brains return big dividends."

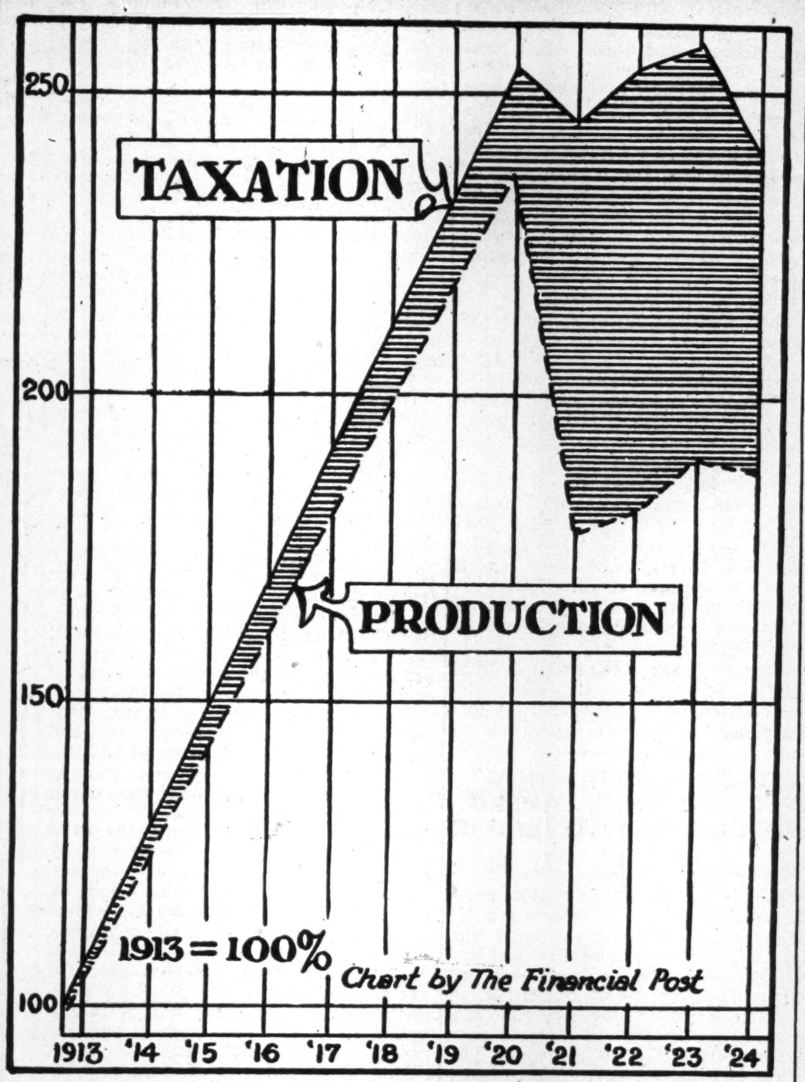
"There is another essential to success in business," Mr. McAuley argues. "That is budgetary control. Executives should work to dollars and cents. Absolute control of costs; these you must have. They tell me that budgetary control is something new in business. I don't think so. Ever since I started in business I've worked on budget systems and on the principle om continuous knowledge of actual results, both gross and net."

These Creative Financiers

That seems to suggest rows of adding machines and accountants' desks in Mr. McAuley's office. There is nothing of the kind. Once he organizes a company, Mr. McAuley lets the officers of that company run it and he merely watches the results. In his office, there is only one other person, a secretary who has not any too much to do. That, however, is typical of men of the McAuley type in finance; men who create undertakings, "set up" the financing and leave it to the "retail" bond houses to market the securities. I know of another originator of securities who controls enterprises, capitalized at many millions, and yet who has to borrow some other executive's office on the fairly few occasions when he is at home. I know of another who has an office but finds it difficult to keep the office manager from putting extra desks in it for the office help. I know of a fourth creative individual in Canadian finance who pays half the salary of the stenographer, who works jointly for him and a young lawyer. Men like these are constantly ranging about, seeking new avenues leading to big undertakings and they are only happy, either when they have found something inviting to work on or have just finished up a new organization and turned it over to a highly paid general manager to run. Creating companies, not managing them, is their field.

In the old days, they were called promoters. But the name came into disrepute because so many people called themselves promoters who were only incompetents or plain crooks.

They are creative workers in the field of finance. And of these creative workers in Canada, T. A. McAuley must now be recognized as having taking a prominent place.



Taxation has grown more rapidly than production in Canada. The two lines shows the comparative rate of growth. Chart is based on 1913 as 100 in each case. If taxation had grown with production, the taxes of the country would have been indicated by the lower line. Thus the shaded area shows our excess taxation in recent years. Figures from Citizens' Research Institute.

Canadian Taxes Take 18.6% Total Production

The net production of all Canadian industries, including farming, fishing, lumbering, mining etc., in 1924, according to the figures given by the Dominion Bureau of Statistics, amounted to $3,018,182,081. The total taxes levied by all governmental authorities in Canada — Dominion, Provincial and Municipal—during the same period amounted to $560,464,540. This means that in Canada in 1924, taxation consumed 18.6 per cent. of the annual net production, according to figures impiled by the Citizens Research Institute of Canada. This compares with a percentage of 19.7 per cent. in 1923, and 20 per cent. in 1922, and about 14.9 per cent. in 1913. The reduction in this percentage in 1924 over 1923 and 1922 was brought about by the decrease in taxation. The net production figures and the percentage of increase over 1922 are as follows:

Year	Net Production	% of increase over 1922
1922	$2,939,318,953	....
1923	3,051,456,821	3.8%
1924	3,018,182,081	2.7%

The taxation figures and percentage of increase or decrease over 1922 are as follows:

Year	Total Taxation	% of increase over 1922
1922	$589,628,957	....
1923	600,487,272	1.8%
1924	650,464,540	*5.0%

* Decrease.

Thus in period 1922-1924, inclusive, net production increased 2.7 per cent. and total taxation decreased 5 per cent. The continuance of this combination of factors should operate to bring about increased prosperity.

The reduction in taxation in 1924 as compared with 1923 was brought about solely by the decrease in Dominion Revenue, as the following figures show:

	1924	1923
Dom. taxes ..	$293,914,518	$341,718,807
Prov. taxes ...	51,012,186	46,858,035
Munic. taxes ..	215,537,836	211,910,430
Total	$650,464,540	$600,487,272

The decrease in Dominion taxation in 1924 as compared with 1923 was caused by a decrease of about $13,400,000 in customs revenue and by a decrease of about $34,800,000 in sales tax Revenue. Dominion Taxation for the year ending March 31st, 1926, has, however, increased to $326,240,728, due mainly to increased revenue from customs of $19,000,000, from excise of $4,000,000, and sales tax of about $10,000,000.

Local Taxation and Production

Presuming that Dominion taxation bears equally upon all the provinces, the relation of local taxation—provincial and municipal—to production is a potent factor to be taken into consideration in studying the relative burden in the various provinces. The following are the figures of net production and local taxation for the various Canadian provinces along with the ratios for 1924 and 1923:

Province	Local Taxation	Net production	% Taxation is of product'n. 1924	1923
P. E. I.	$ 488,087†	$ 18,138,881	2.7	2.6
N. S.	7,707,895	96,071,433	8.0	6.8
N. B.	4,498,002†	78,298,070	5.7	5.3
Quebec	54,290,899‡	729,992,866	7.4	6.8
Ontario	110,949,017	1,217,764,312	9.1	8.7
Man.	20,320,920	190,022,463	10.7	17.2
Sask.	27,316,620	237,254,471	11.5	9.7
Alberta	17,331,961	210,972,370	8.2	7.7
B. C.	23,646,621	236,816,575	10.0	9.9
Yukon	......	2,851,140	...	...

†Figures low, as not all Municipal Taxation was known to the Institute.

‡Figures may be slighlty excessive, as in many cases ordinary receipts had to be taken in place of municipal taxation.

The lowering of the percentage of net production taken by total taxation in 1924 was due entirely to the decrease in the taxation collected by the dominion. Tentative figures indicate a considerable increase in the amount for the year ending March 31st, 1926, so unless local taxation (provincial and municipal) shows a decrease in 1925, or unless there is a large increase in net production, there is not likely to be any further decrease in the percentage in 1925.

The percentage of local taxation overhead, the amount of net production consumed by this means, increased in every province in Canada except Manitoba. There was a large drop in this province due to a large increase in net production, and due also to a drop of about one million dollars in local taxation. The combination of these factors brought this province more in line with the other provinces, and if continued should bring about increased prosperity.

The increase in local taxation and decrease in net production caused a reverse effect to that noticed in Manitoba, in Nova Scotia and New Brunswick, Quebec and Saskatchewan, while a lowered net production was responsible for a similar change in Alberta. In Ontario, while there was an increase both in local taxation and production, the former increased at a greater rate and caused an increase in the ratio consumed by taxation. In British Columbia and Prince Edward Island the ratio remained about the same.

FOLKS and Finance

HON. T. D. PATTULLO, British Columbia's minister of lands and forests, has been ten years in office, and during that time production in all basic resources has doubled in the province. Fishing has increased from approximately $11,000,000 to $22,000,000. Mining output has increased from $42,000,000 to $71,000,000; agricultural production has increased from $32,000,000 to $69,000,000, and timber from $35,000,000 to $81,000,000. The annual cut of timber ten years ago was one billion board feet, while today it was two bilion six hundred million. Waterborne timber trade ten years ago was forty-six million, whereas to-day it is seven hundred million board feet.

The minister also says that there are more things in the way of development in sight to-day than ever before, and he prophesies great progress within the next few years. He is very enthusiastic over the Prince George paper mill project, which, he says, will probably go ahead, the principals having returned east to undertake the financing.

The potato crop of New Brunswick is now estimated to be worth $10,000,000 to the farmers. That figure being based on the price of $1.85 per cwt. on a 6,090,000 crop, as given in the preliminary estimate of the Provincial Department of Agriculture.

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Alberta Business Men Ask Repeal of Laws That Injure Investors

Lethbridge Board of Trade Wants Sanctity of Contracts Restored

ASK CAPITAL'S RETURN

Lenders, Frightened Away by Unjust Legislation, Subject of Plea By Business Men of South

From Our Own Correspondent

LETHBRIDGE. — The Lethbridge Board of Trade is following up its campaign launched some time ago for a return of capital to the Alberta field. The special committee appointed to draft a memorial on mortgage loans and investments generally for presentation to the provincial government has reported. The memorial was prepared by representatives of business, professional, banking and farming men.

The memorial first recalls "that the inflow of capital from outside sources is essential to the proper development of this province, and that this inflow through various causes has of late years been checked, and in some districts stayed altogether."

"We have endeavored to examine into this question in a non-partisan, non-parochial spirit, blaming no one, criticizing no one, seeking only for the means of restoring confidence on the part of investors to the end that this province may be regarded as a desirable field for investment."

How Trouble Has Arisen

The present position in Alberta is stated to be due to:

"Unrealized optimism on the part of both people and governments; too ready acceptance by banks and loan companies of values unwarranted by the earning power of securities; a period of inflation followed as usual by deflation; the encouragement of settlement on lands without consideration or classification of their suitability for the various phases of agriculture; the desire of the legislature to aid some of those who have suffered thereby.

Sanctity of Contracts

"There are two things that international experience has proved must be rigidly observed by all countries desiring to secure a free flow of capital from outside sources. These are the recognition of the sanctity of contracts, and the recognition of vested rights, namely, rights secured to their holders under existing laws and which are expected to be preserved to them unless taken and paid for under laws of eminent Domain.

"The derogation of these rights by various statutes, which our legislature considered that conditions in our province and the interests of the people required them from time to time to pass has been one cause of capital passing us by. However beneficial this legislation may have been at the time of its passage, we submit that at the present time the advantages of such laws are out-weighed by the disadvantages that they have engendered.

Loan Companies Most Affected

"Under present conditions in this province it is probably the corporations lending money on mortgages on land who have been most widely affected by this legislation. Such bodies confine their operations usually to first mortgages on land. They regard second mortgages as undesirable security, and before making any loan enquire into the character, financial and otherwise, of the proposed mortgagor, and require him to give his personal covenant for the repayment of the loan. The importance attached by mortgage corporations to this covenant is recognized when we remember that in the case of limited companies seeking a loan, the personal covenant of its directors is almost invariably required.

"To be just before being generous at the expense of others is a maxim all legislators should adhere to if they desire to retain for their countries the confidence of the outside world. Corporations coming into a country to operate are expected, and themselves expect, to take the law as then existing as the law applicable to any investment they see fit to make. If laws exist that may imperil their investments they may decide for themselves whether they will, or will not, take the risk. As prudent men, they will probably, as the mortgage companies are now doing here, refrain from investment in places where such laws exist. The existence of such laws, although it may check the inflow of capital, gives no cause for the complaint that the legislation is unjust. On the other hand, if, after investments have been made, new laws are passed—as has been done in Alberta—by which new liens and charges other than those established previously, by law are created and are given priority over the first investor's security, changing it from a first to a second mortgage or charge, else wiping out or impairing the values of the personal covenant on which the investor relied, then the above maxim has been violated, and the rights of investors have been swept away in the desire to assist the borrower. Doubtless our legislators conceived that conditions justified their acts and that in doing what they did, they acted in the best interests of the province. Whether their action was at the time wise or unwise we cannot now ignore the fact that it has tended to shake the confidence of investors in the justice of Alberta and that confidence is very hard to regain.

Government Should Declare Policy

"To regain confidence, our government should make it known to be their policy that there should be no statutory interference with contracts made between lenders and borrowers, which will impair or diminish the investors' security. Our government should further provide by legislation that certain provisions in our statutes should not apply to mortgages taken before the passing of the respective acts.

"There are the provisions in the "Land Titles Act" and "the Judicature Act" affecting the personal covenant. As these stand they do not annul, but they seriously impair the sanctity of the borrowers' covenant. That fact alone may scare away many lenders of money, especially those resident in older countries. It may also give to local collectors for foreign investors a convenient excuse for indiscretion and mismanagement in the handling of capital.

This law should be repealed altogether. In any event, it should be declared not to apply to mortgages taken before its passing. As to the tax or lien imposed under the acts respecting noxious weeds or hail insurance and other statutes, similar action should be taken.

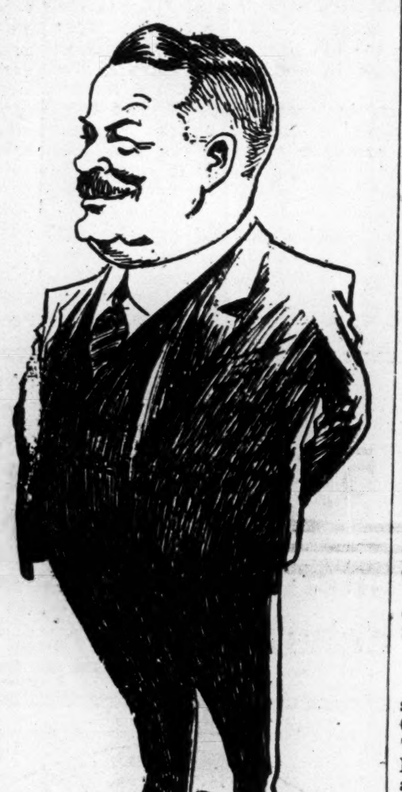
Impracticable to Compensate

"This is probably all that the government could do to help restore our good name. To attempt to compensate investors for properties abondoned and losses sustained owing to this legislation would be impracticable. This alone would not suffice to remove the discouragement to further mortgage investment. If we desire investors to operate in this province as freely as they do elsewhere, the clauses of the land titles and judicature acts impairing the value of the covenant should be repealed. The noxious weeds act seems to have fallen into desuetude of late years, so far as the provisions affecting mortgages are concerned. This is presumably because of the abandonment of the land by both mortgagor and mortgagee, the cost has had to be borne by the government or a municipality. As long as there remains on our statute book authority to charge two hundred dollars annually against a quarter section as a prior lien, it is a menace that will deter investment. The clauses in question should either be repealed or provision made that the lien shall not have priority over a registered mortgage. Section thirty-six of the Municipal Hail Insurance Act should be similarly amended so that the tax shall only be a charge against the interest in the land of the person applying for insurance and not, as is now the case, a charge prior to a registered mortgage."

Will Not Allow Tolmie to Quit

Simon Fraser Tolmie, better known to his friends as "Doc" Tolmie, has once more been denied the pleasure of retiring to his farm for the well-deserved rest that he has been promising himself for some years. After eight years of service wth the Conservatve party at Ottawa, the doctor has been chosen to lead the Tory stalwarts in British Columbia, and doubtless friend and foe alike will welcome this political home-coming of a native son.

Born in Victoria, in the year of Confederation, 1867, Dr. Tolmie grew up on his father's farm, and after graduating from the Ontario Veterinary College, practised as a veterinary surgeon for fifteen years. He arrived at Ottawa as member for Victoria in 1917, and was appointed Minister of Agriculture in the Borden government in 1919. While the opposition was in office he became Dominion organizer for the party, but during the short tenure of the late Meighen government, he was again in charge of his old department.



S. F. TOLMIE,
as Le Messurier pictures him for the Vancouver Province.

For forty years now, the doctor has given himself over to thoroughbreds, and has identified himself with the great names of Shropshire, Holstein and Yorkshire. It was even reported that he knows how to make hens pay, although there is no authority for saying that he has as yet learned the secret of making them lay. That the doctor will be a decided asset to the British Columbia legislature can be judged from this short but sincere tribute which was paid to him at Ottawa:

"Much native shrewdness and great common sense, combined with a buoyant disposition, an even temperament, and an infinite capacity for making friends are some of the qualifications which he brought to the subsequent task of national organizer of a political party whose fortunes have not been in the ascendant."

THE NATION'S BUSINESS

(Continued from page 1)

reveals that one section of Washington, at least, is thinking out of the temperance problem as Ontario and other Canadian provinces are beginning to view it. At the next session of Congress advocates of temperance are preparing to argue that modification of the enforcement act to permit the manufacture of light wines and beer can be accompanied by a provision for a revenue tax, the returns from which would wipe out all the excise and nuisance levies, besides abolishing taxes on all but the largest incomes. Some of these advocates of revision will, it is said, go as far as to urge that a reasonable and gladly met levy upon such beverages would pay off all of the ordinary expenses of government and permit rapid liquidation of the public debt.

If the modification took the form of leaving to each state the regulation and interpretation of the Volstead law, such revenues might be collected under tax by each state and help to wipe down, if not out, the enormous state debts which now exist and are growing larger every year.

In 1913 the bonded debt of the various states and their communities amounted to $3,188,697,000. By 1925 this debt had mounted up to $10,261,854,000—an increase of over seven billions of dollars. While this increase was taking place, the national debt had been reduced over six billions of dollars.

During the last three years, 1922 to 1925, the state local debts increased at the rate of one billion dollars a year.

BROOKS SALESMEN NOW OFFERING ONLY LAPSED STOCK UNITS TO PUBLIC

(Continued from page 1)

applicable to steam motors in general, which may be manufactured by any company desiring to enter the field. The basic patents on steam-propelled vehicles have long since expired and never were operative in Canada in view of the fact that the original patentee did not manufacture under his patents in this country. The present Brooks steamers which may be seen on the streets of Toronto differ in no essential detail from the patents which are now anybody's property.

Meets Some Success

As for Mr. Brooks personally as the head of Brooks Motors, it may be said that he has been the organizer of a number of mortgage and finance companies which are dividend payers now although the cost of raising their original capital appeared to many persons to be excessive. Mr. Brooks is no longer connected with any of these companies.

Moreover, he intimates that his connection with Brooks Steamers may not be of long duration.

What's Capital Cost?

The par value of the preferred stock of Brooks Motors is $2,500,000. Of this amount, Mr. Brooks says, $1,700,000 has been paid in to Brooks Motors by Brooks Securities, barring an unstated amount coming due on deferred payments.

There are 500,000 shares of common of no par value. These also have been disposed of. Mr. Brooks says he himself recently has bought some of these in at around $3 the share.

Mr. Brooks says that the quick assets of Brooks Motors at the present moment total about $1,500,000. This includes an appraisal of the Stratford works at $288,000. In view of the $675,000 which by the end of the year will have been spent out of capital for experiment, Mr. Brooks considers the financial condition of the company very good.

He estimates that it has cost 17½ per cent. to raise capital—preferred stock capital. But including cost of collection of the installments on shares sold, the total cost of getting this preferred stock money into Brooks Motors treasury is about 25 per cent.

In defense of this expense of raising capital, it is pointed out by interests professing no friendship to Brooks Motors that many successful companies have paid much higher figures for their capital.

Pay Securities Company

But there is another matter which must be considered before Brooks Motors is given a clean bill of health with regard to the cost of raising money. At the present time, investors who think that for $135 they are buying ten shares of preferred (par value $10) and eight shares of common of the treasury stock of the company actually are buying their common from the Brooks Securities Co. In addition, Brooks Securities gets commissions totally about 25 per cent. for the cash handed over to Brooks Motors.

Most of the common stock of Brooks Motors long ago passed out of control of Brooks Motors. Most of it went to Mr. Brooks and his Brooks Securities Co. Then it was sold along with the Brooks Motor preferred to investors who usually did not realize that they were not buying direct.

The floating supply of Brooks Motors common was not adequate to the selling abilities of Brooks Securities, it is said. Various blocks were bought for redistribution among the small shareholders. At one time, the Brooks Securities salesmen, who have hit a number of small towns rather hard, were selling four shares of common, owned by Brooks Securities outright, for every share of preferred, which was treasury stock of Brooks Motors. This meant that an infinitesimal proportion of the total invested went for the development of the Brooks steamers, since the common originally appears to have been passed over to Mr. Brooks in consideration of patent rights in Canada which basically belonged to anyone who cared to begin manufacturing under them.

Invest Millions

It is difficult to estimate how much cash small investors in Canada have paid to Brooks Securities salesmen in the last 2½ years. If all had been disposed of at the present ratio of ten preferred to eight common for $135, the total would be $3,375,000 handed over by investors.

According to Mr. Brooks' own figures, the total assets of the company are only $1,500,000. Admitting the justification for expenditure out of capital of $675,000 for experiment, there still remains an amount not far from $1,200,000, paid into Brooks Securities, which has apparently never reached the treasury of Brooks Steamers. This should appear to the average investor as extremely expensive financing.

As a matter of fact, it is probable that investors have parted with considerably more than $3,375,000 for stock in this company which, after spending $675,000 for experiment, has only $1,500,000 left to count as assets. Mr. Brooks himself has admitted that Brooks Securities at one time were selling only one share of preferred for each four shares of common. And, as pointed out above, the proceeds of the sale of common was all velvet for the salesmen and the Brooks Securities Co.

No Market for Preferred

Mr. Brooks says that the present market value of the common is from $3 to $5 the share. He says, at the same time, that there is no market at all for the preferred. The buyer of lapsed units, socalled, is contracting to pay $135 for eight shares of common which are worth (at the extreme outside, $40, and ten shares of preferred for which there is no market. The preferred stock, according to the charter, is 7 per cent. cumulative, but cumulative only from the date of the first dividend declaration. It has no voting power.

In view of this high cost of financing, in view of the uncertainty of industry and other considerations which should be apparent, the day is remote when Brooks Motors will declare its first dividend.

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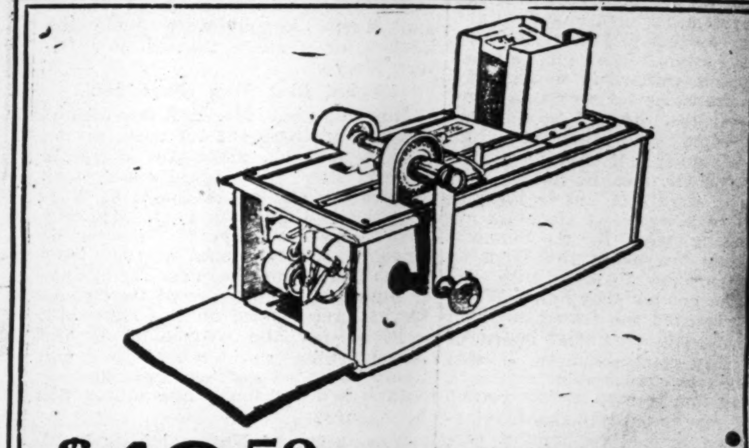

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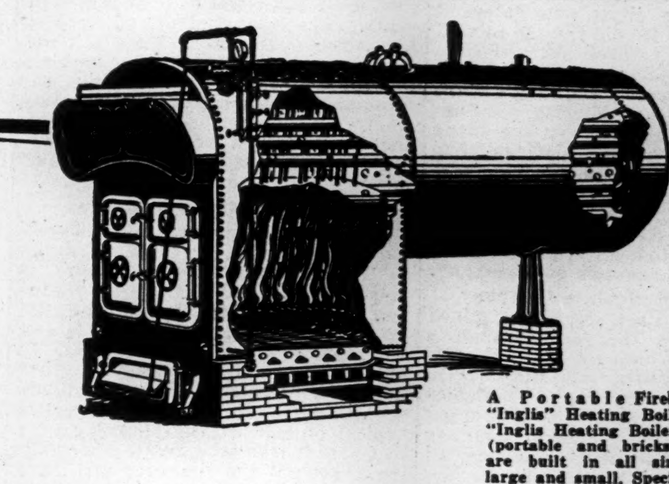

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FORD OF CANADA NOT NECESSARILY BUY AFTER DROP

But Writer Calls it Attractive if Ford Makes Models Popular

Should Ford of Canada now be bought after a 300-point drop? This question is asked by the magazine of Wall Street and answered by that publication as follows: "The 300-point decline hardly constitutes a sound reason for the purchase of Ford Motor of Canada stock until such time as external conditions change for the better or a definite move is made by the Ford interests to further popularize the products. Still, as an issue with large potentialities, it should be watched for the first broad underlying favorable development which would mark the signal for purchase."

The collapse of a "rich man's" stock always arouses a high degree of interest among investors. While there are occasions when a sudden burst of prosperity will carry a stock into the upper hundreds, such issues for the most part are those of companies with a long record of highly profitable operations behind them. Then again, inordinately high-priced stocks attract a greater amount of attention than formerly, due to their comparative scarcity as a result of the modern propensity to create smaller share units through split-ups and stock dividends.

Only One With Public in

Particular interest has been manifested in Ford Motor Co. of Canada because of the fact that it is the only one of the Ford enterprises with a public participation of ownership. The shares have never been listed on the New York Stock Exchange. The market is on the New York Curb and the Detroit and Toronto Stock Exchanges. A peak price of 655 was attained during the current year, from which point there has been a more or less continuous drop of over $300 a share. The decline has been on a very moderate volume of transactions which could hardly be otherwise considering the small floating supply of stock. There is a total of only 70,000 shares outstanding and a considerable portion of this is believed to be held by Ford interests.

The company dates back to 1904. It was organized for the purpose of taking over the exclusive manufacturing and selling rights on the various Ford automotive products throughout the British Empire with the exception of England, Scotland and Ireland. In consideration of certain stock given to Ford Motor Co. of Detroit, the Canadian company was granted the perpetual privilege of using all improvements and devices on the Ford car with no cost to itself.

The present capitalization of 7 millions, consisting of common capital stock exclusively, compares with a plant value of over 22 millions, a surplus of 24 millions, and net tangible assets of nearly 32 millions. Moderate as the capitalization is, it has been built up from an original figure at time of organization of $125,000 entirely through the agency of stock dividends. The extent to which these distributions have not kept pace with increases in assets and earning power represents approximately the extent to which the company is undercapitalized, and accounts of course for the high level of market prices for the shares.

Tremendous Growth in Output

The tremendous growth in the output of Ford Motor of Canada is a partial index of the great increase in consumption of the Ford car in foreign fields. A peak production of 79,807 cars in the 1924 fiscal year compares with only 1,280 cars in 1910. The remarkable feature, however, is that no financing whatever has been necessary to meet expansion. The company is an outstanding example of what can be accomplished through a steadfast policy of reinvestment of the major portion of the earnings in the business.

The uppermost question which arises in connection with the 300-point break in the stock is whether the causes leading up to it are transitory or fundamental. In other words, is there a potential profit of 100 per cent. or thereabouts in the shares at present levels or have new conditions appeared which will make it improbable that the old level of earnings ranging from $50 to $90 per share per annum can be repeated in future? It will be three or four months yet before the operating results for 1926 are officially made known.

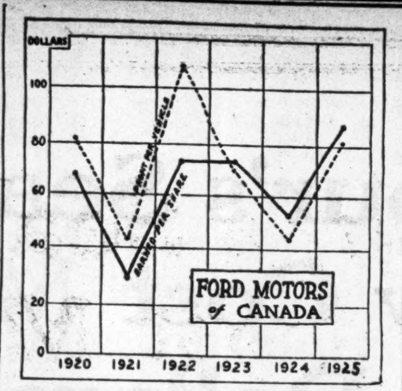
Chief Cause of Big Decline

The major impulse to the decline was furnished by the unexpected reduction by the Canadian government in April last of the tariff on cars selling below $1,200 from 35 per cent. to 20 per cent. The protective tariff has been a material factor in the development of the business to its present proportions. It has been customary to maintain a differential between the price of the Detroit Ford and the Canadian Ford approximately equivalent to the tariff on the former. The slash in the tariff naturally entails a reduction in the differential, otherwise it would be possible for the purchaser to import the identical product from the United States on more favorable terms than through the usual channels. Here is a source of a lowered margin of profit entirely apart from the potential results of opening up extensive competition by manufacturers of other low-priced cars in this country. There is still some protection for the Canadian product so that the competition of this character should be less intense than that which the American Ford has had to face, but at the same time there has been a marked increase in recent months of imports of completely built motor cars to Canada, and there is no doubt that the position of the automobile export trade in the United States has been materially strengthened by the action of the Canadian government in letting down the tariff bars.

General Reduction in Prices

A general reduction in prices on all models was put into effect shortly after the alteration in the tariff laws. While the margin of profit is further decreased by this move, a situation appears to confront the company whereby the drop in profits per unit must be offset as far as possible by a greater volume of sales. Business was stimulated during the summer months by the lower scale of prices, and in spite of recent advices that the plant is now running at 50 per cent. of capacity, it may be that 1926 production will eclipse all previous records. Profits are almost certain to be curtailed, however, and even more so in 1927 than this year in the event of a continuation of prevailing adverse conditions which were applicable only to the last eight months of 1926.

There are two mitigating factors. Export business to the British provinces is not affected. Exports are variable but roughly amount to 25 per cent. of total shipments. Secondly, marked improvement has taken place in sales to the agricultural sections of western Canada. These favorable developments are of a nature to relieve rather than to cure the situation.



CANADA'S IMMIGRATION NEEDS RECEIVED SCANT ATTENTION IN LONDON

(Continued from Page 1)

that he could adopt a more independent attitude if he was not the guest of the men with whom he had to deal.

It is very questionable if he sized up correctly the British type of mind. They are accustomed to transact much of their business at luncheons, dinners, and week-end parties. By disassociating himself from the rest of the delegation and going to a cheaper hotel he may have handicapped himself unnecessarily. I believe all the Dominions would be well advised to arrange in advance to pay their own expenses, but when an individual departs from the otherwise generally accepted policy he is liable to convey the impression that he has come with his mind definitely made up and does not wish to accept their hospitality and then refuse their requests.

Two Definite Accomplishments

The only accomplishments from the conference which the Immigration Department can boast, are:

1. Renewal of Empire settlement scheme for two years.
2. Reduction in steamship passenger rate from three pounds to two pounds.

The Immigration Department are working along two lines:

1. Assisted immigration.
2. Unassisted immigration.

Under "assisted" comes the Empire settlement scheme by which the British parliament, following the 1921 conference, authorized the expenditure for Empire settlement purposes of £10,500,000 for the years 1922-26. Of this only £2,940,000 appeared in estimates and only £1,384,000 was acutally expended. The unexpended £9,000,000 is not available for future expenditure which under the Act cannot exceed £3,000,000 yearly.

Financing Empire Settlement

The Empire settlement scheme is working out on a 50-50 basis between Great Britain and the Dominions. Great Britain pays part of passage; Canada contributes a similar amount, and the steamship companies make a reduction in price of the passage so that the net cost to the immigrant has only been £3 to Montreal and this has now been reduced to £2.

The Canadian Immigration Department has ruled that the Empire settlement scheme shall be applicable to agriculturalists and domestics. As there is a scarcity of domestic help in Great Britain and only 7 per cent. of the population have had farm experience, it has been difficult to secure any large number of settlers in these two classes.

The Canadian government also entered into an arrangement with Great Britain about two years ago whereby they undertook to provide farms on easy payments for three thousand families to be brought out on the above basis within 3 years. The British government offered to advance £300 to each family for the purchase of stock and implements. The Canadian government does not hand the farm over the first year but hires an experienced farmer to operate it. Even after the new family takes possession they are given close supervision and training for a couple of years, at which time payments commence on the value of the farm and amount spent on stock, implements, etc.

For the most part the farms which are allotted have been turned back under the soldiers' settlement scheme. Fifteen hundred families have been settled to date, 150 of these being in Ontario. This scheme seems to be working out well, and if possible the number of families should be greatly increased.

Anxious to Cut Unemployment

The British Government are anxious to reduce the number of unemployed who are a heavy charge on the country, and would like us to adopt a much broader policy of selection, but our officials quite rightly maintain that we must have only those who are likely to fit into conditions in Canada, and that if we took the idle and shiftless class we would damage the country greatly by the reports of their failure which would go back to Great Britain.

Our Immigration Department have agents traveling through the rural sections advertising in local papers, addressing meetings, showing illustrations of Canadian life and activities. Whenever anyone evinces interest in the settlement scheme they make careful enquiries regarding their history and experience before recommending them for acceptance.

Unassisted Immigrants

The unassisted consist of all settlers who pay their own passage in full, but there are many organizations which are assisting the dominion and provincial governments in finding positions for newcomers. All the large religious denominations, the Y.M.C.A. and the Salvation Army have entered into this work.

The number of desirable unassisted immigrants could be greatly increased by more publicity and lower cost of steamship passage. The third class rate to Canada is very high, almost at the peak. Unemployment and higher cost of living have made it impossible for many immigrants, who would be acceptable, to finance the third class steamship passage fare for either themselves or their families.

While the machinery and general facilities for taking care of immigrants to Canada have greatly improved, there has been a big falling off in the number received into Canada.

Fewer Immigrants Arrive

The total migration from Great Britain to the whole of the Empire has fallen from 223,521 in 1913 to 62,886 in 1925. To Canada it has fallen from 164,566 in 1913 to 24,723 in 1925, and 41,419 for first nine months of 1926. This in spite of (a) an increase in population in Great Britain from 1913 to 1925 of 2,481,000; (b) restrictions imposed in recent years on immigration to the U.S.A. (The U. S. government has just recently increased the British quota to three times the previous figure.)

Conditions in Canada have not, however, been favorable during recent years to an extensive campaign for immigrants. This has been due to the slump in prices of agricultural products which for a time made farming unprofitable in Canada. This slump in turn caused unemployment in industrial centres. These unfavorable factors have now passed away.

Need More Energetic Measures

These were important considerations at the time of 1923 conference, but in the opinion of many business men the time has come for more energetic measures. If the Canadian government had been prepared to increase their appropriation and enlarge their operations in settling British immigrants in Canada, they could probably have made arrangements at the recent conference whch would have been in the interests of Canada, of Great Britain and of the Empire.

We do not wish to confine our immigration efforts entirely to the British field, but in no other country will we find such co-operation and mutual interest.

Lord Clarendon was the chairman of the Overseas Settlement Committee. He knows Canada well and also the trials and difficulties of the newcomers. He came to Canada before the war and bought the farm near Pickering, which has since been acquired by Victor Ross, vice-president of the Imperial Oil Co. He knew little of farming, but was neither ashamed to show his ignorance not too timid to ask for information and assistance from his neighbors.

Lord Clarendon Gives Advice

Lord Clarendon urged the Dominion to take advantage of the present situation and secure settlers while Great Britain had a large surplus of population. During the next ten years, he stated, it was almost certain that this situation would be altered for the first time in their modern industrial history. By the year 1933, owing to the annual effect of the war-time birth rate, there would be between 350,000 and 400,000 fewer boys and girls between the ages of 14 and 18 available for employment. This was significant not merely on account of this large decrease, but especially because the shortage was in the younger groups which were the class desired by Overseas Dominions.

Another indication of the attitude of public opinion in Great Britain is seen in the concluding words of a report of Unionist M.P.'s presided over by John Pennefather and issued just prior to the opening of the Imperial Conference, which were:

"We hope that the Imperial Conference will afford an opportunity for the representation of British and Dominion governments to review all the circumstances which have caused their joint policy, as expressed in the Empire Settlement Act, to fail, and in the light of the experience gained to consider what effective steps can be jointly taken not only to remove as far as possible, and as soon as possible, all removable obstacles to immigration, wherever they may lie, but also to offer increased encouragement not only to immigrants themselves, but also to all forms of private endeavor, whether on philanthropic or business lines, calculated to assist in the better distribution of the population of the Empire, to the advantage of all its inhabitants and strengthening of all its component parts."

It is a matter of regret that the conference did not come up to the expectations of Mr. Pennefather's committee. It would be an advantage to the people of Canada and Great Britain to have the full proceedings of the Overseas Settlement Committee published so that they might judge if something further could not have been done to bring to us a great number of desirable settlers from Great Britain.

Big Bodies Wait Better Policy

There are many organizations which have done much and can do more towards bringing settlers to Canada. The C.P.R., C.N.R., Hudson's Bay Co. and Salvation Army are probably the most important. They are all anxious to see a broader and more extensive immigration policy for Canada.

I saw Commissioner Lamb of the Salvation Army in London. He believes there will have to be a radical change on the part of both Canadian and British Governments if this question is to be solved. He makes the following recommendation:

"1. The home government should radically amend the provisions of the Empire Settlement Act, seeking a much larger appropriation than the yearly £3,000,000 and powers to pay, when necessary, the full cost of any settlement scheme. The 50-50 principle in finance (embodied in the act) is excellent in theory, and doubtless was introduced in order to meet the susceptibilities of the overseas dominions who wanted to be on an equal footing with the home land in many things; but the cost of settlement has obviously proved too much for the sparsely populated Dominions.

"2. Again, the home government should seek powers to contribute the full cost of training men here in elementary agricultural pursuits designed to fit them for life over-season. Only 50 per cent. can be contributed under the Empire Settlement Act.

Training Boys for Work

"3. Youths can be quickly trained here for work on the land overseas, where they can be absorbed by tens of thousands. Political considerations, however, prevent the overseas dominions from contributing to the cost of such training. Meanwhile, the boys are being demoralized by enforced idleness.

"4. Then women are wanted overseas—wanted chiefly for household service and as home-builders. But the experienced domestic, in any large numbers, does not want to go, and the home demand exceeds the supply. There are, however, thousands of industrial and factory workers—good, healthy, vigorous, domesticated women—ready to be trained and to go out. Why not equip them for life overseas by giving them some simple, practical domestic training? At present they are barred by immigration regulations and financial considerations.

"5. In the homeland there are thousands of "unwanted" children whose transplantation would add much to the sum total of human happiness and strengthen the bonds of the Empire. It could be done so that the cost of the Empire would ultimately be less than if the children were brought up here. This transplantation work could be carried out on a comparatively large scale, and yet provide the dominions with those radical stock safeguards so essential to growing nations.

"6. If, as I hope, some comprehensive and adequate scheme emerges from the conference, it is important that a repatriating or deporting authority should be set up. This may seem a small matter, but failures, even if their numbers should prove to be infinitesimal, are calculated to cause undesirable friction.

Suggest Empire Commission

"7. It is now two years since General Booth first advocated the setting up of an Empire Settlement Commission, whose members would be men of large business experience, and at the same time outside the possibility of any political pressure. I had the opportunity of discussing this idea with the General on the eve of his departure for the Far East last month. Our recent experiences confirmed him in the view that such a body has become an urgent necessity. A state-controlled movement is predestined to failure. In any case, to-day's "call" and "need" are outside the scope and beyond the capacity of existing departments. The Salvation Army in its Migration and Settlement Department—with nearly 30 years' experience and the successful transplantation of over 150,000 British folk—presents, I venture to think, a working model. It shows unity of control and provides that "human touch" both so essential to success.

"8. Mr. Bruce has recently set up in Australia a permanent Commission of Development and Migration, and has wisely brought Mr. Gepp, the chairman, to London as his economic adviser at the conference. Canada, I fear, has, since the close of the war, lagged behind in the matter of Empire migration and settlement.

"Notwithstanding all the recent progressive social legislation here, I have no doubt but that men and women in tens and hundreds of thousands will come forward ready for the great adventure overseas, if assured of work and a welcome on their arrival. But they will not go, and should not be encouraged to go, unless they have these assurances."

Commissioner Lamb has had wide experience in immigration matters and his views are worth careful consideration.

J. L. Garvin in The Observer summed up the situation as follows:

"The wide dominions need more population, which for them is the key of all. The crowded island — at the moment over-crowded needs more prosperity. There never was in history a more living connection between two questions nor a better opportunity to turn mutual service into a vital bond."

It is only fair to Mr. Forke, the present Minister of Immigration, to say that he had only been installed in office a couple of weeks before the government party set out for the conference. The problems, however, are not new to him, as he has been a keen student of immigration matters from the time when he himself came as an immigrant to Western Canada.

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Philip Morris Buckingham Cigarettes, 4 packs of 20, in Christmas carton, $1.00. Tins of 50, 60c.

Herbert Tareyton London Cigarettes, Christmas carton containing 6 packs of 20, $2.00. Tins of 50, 85c.

Philip Morris Virginia Ovals, 6 packs of 20 in Christmas carton, $2.00. Tins of 50, 85c.

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Philip Morris & Co. Buckingham, two kinds, Smoking Tobacco and Fine Cut, ½-lb. tins, 80c, in handsome Christmas containers.

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Canada Exports $25,000,000 of Rubber Goods—Other Industries Helped

From Our Own Correspondent

OTTAWA.—One of the arguments frequently heard against protection is that it leads to the development of industries which are "exotic" and not adapted to the natural resources of the country. Considering the large part played in "free-trade England" by the "exotic" cotton industry, this argument is rather strange; but it is, nevertheless frequently heard in political circles here. It is the more interesting therefore, to observe the rapid growth made in Canada by another industry for which raw materials must be brought from abroad. This is the manufacture of rubber products, which has made phenomenal advances in recent years.

The growth of Canada's external trade in rubber is astonishing. In the fiscal year, 1916, when the price of rubber in New York was approximately seventy-two cents, the export of Canadian produced rubber goods was valued at $3,081,874. In the calendar year, 1925, when the average price of rubber was almost exactly the same as in 1916, although there were considerable fluctuations during the year, the exports of Canadian rubber products were valued at $17,477,287. For the twelve months ending with October, 1926, although the price of raw rubber has been considerably lower of late than it was last year, the exports of Canadian rubber products were $25,082,161.

Grows With Automobile Use

The expansion of the rubber industry in Canada, as elsewhere has been closely connected with the growing use of motor cars. Of the exports of rubber products from Canada for the twelve months ending with October of this year about two-thirds were composed of shipments of pneumatic tire casings and inner tubes. For the year mentioned the exports of pneumatic tire casings were valued at $13,985,471 as compared with $8,695,771 for the similar period a year earlier, while the exports of inner tubes is played by rubber boots valued at $2,450,132 as compared with $1,492,011 a year earlier. A somewhat similar role in trade to that of inner tubes is displayed by rubber boots and shoes and by canvas shoes with rubber soles. The exports of the latter for the twelve months ending with October of this year were valued at $3,731,707 as against $2,271,268 for the year ending with October, 1925. Of boots and shoes of rubber the exports for the later years were $2,671,142 as compared with $1,758,042 a year earlier.

Mostly Raw Rubber Imported

It is, of course, true that there are large rubber imports into Canada. In fact, the total value of rubber imports for the calendar year, 1925, was considerably greater than the rubber exports of that year; but an analysis of the figures provides a ready explanation. While the total imports of rubber and rubber products were valued at $30,694,511, the imports of raw rubber alone accounted for $25,810,949 out of this total and another $1,500,000 of imports consisted of partly manufactured materials which were subsequently used in the production of Canadian manufacturers. The manufactured articles imported included rubber belting, rubber cement, clothing, elastic, gloves, hose, hot water bottles, mats and matting, golf balls, rubber heels, and small quantities of boots and shoes and some special lines of tires.

Further details regarding the growth of the industry in recent years are contained in a report just issued by the Dominion Bureau of Statistics dealing with the calendar year, 1925. This report contains figures as far back as 1922 and shows that in that year the gross value of the products was $45,933,068, while in 1925 this figure had risen to $78,229,574. The capital investment in the industry in 1922 was $50,154,503, and in 1925 it was $65,562,734. In the same period the number of employees on wages had risen from 8,441 to 11,307, and the amount of wages paid from $7,568,334 to $11,418,416. In the earlier days the report covers thirty-four separate manufacturers, and in the later year forty.

Nearly 3,000,000 Tires Made

The growth of the pneumatic tire production is shown clearly in this report, which in this regard gives figures as early as 1919. The number of pneumatic tire casings produced in 1919 was 1,293,010 and in 1925 it was 2,969,632. In 1919 the number of inner tubes manufactured was 1,117,913 and in 1925, 3,462,380. These figures are a better index of the growth of the industry than are the values of the same articles during the same years. Prices of rubber fluctuated a great deal in the period, and this has thrown the value figures out of line with the production quantities. In 1919 the value of pneumatic tire casings was $23,298,673; in 1920, chiefly owing to rising prices, it went up to $35,175,801. In the following year there was a drop of nearly fifty per cent. in quantity production, while the values fell off to $15,520,810. From this year on, however, there has been a steady rise of both quantities and values, and for the year 1925 the value was $33,586,958. The development in inner tubes has been similar, the value figure for 1919 being $2,872,487: for 1920, $4,271,461; for 1921, $2,037,180 and for 1925, $6,922,413.

While the most striking development in the industry has been in pneumatic tires, there has also been a considerable growth in the output of rubber footwear of various kinds. Compared with 1924, the year 1925 showed an increase of 3,716,012 in the number of pairs of all classes manufactured and of $4,907,297 in the value of production. The number of pairs of all kinds in 1925 was 17,403,598 as compared with 13,687,586 in 1924. In 1925 the value was $24,857,505 and in 1924, $19,950,208. The largest field of output in the different classes is that of light rubbers which numbered 5,940,481 in 1925 as compared with 5,666,085 in 1924. Canvas rubber-soled footwear in the oxford style comes next with an output of 4,620,124 in 1925 compared with 3,341,001 in 1924.

Buy $7,000,000 of Cotton

The rubber industry furnishes a significant instance of how an "exotic" manufacture may help another line of production, in this case, as it happens, also "exotic." Raw rubber was naturally the largest item of raw materials used in the industry, accounting for nearly fifty per cent. of the total cost; but second only to raw rubber among the materials was tire duck, of which 10,842,833 pounds, valued at $6,812,926, were consumed in 1925, showing a substantial increase from 7,132,218 pounds use in 1924 with a value of $5,090,339. In addition, other materials the product of the cotton industry were used, including hose and belting duck, shoe duck, stockingette sheeting and miscellaneous cotton. These various cotton products were used both in the tire and rubber goods section and in the rubber footwear section, and the total value of cotton materials thus used in 1925 was $11,678,536.

American Research Institute Attacks Wheat Export Duty

A sharp attack on the proposed Canadian export tax on wheat shipped from this country for milling in bond in American flour mills is a feature of the most recent wheat study of the Food Research Institute of Stanford University, California.

This wheat study discusses the question of the American importation of Canadian wheat at great length and with extensive statistics. A brief review was given in these columns a few weeks ago. Receipt of a complete copy of the report reveals the discussion on the proposed export tax.

In attacking the proposed export tax, the institute states:

Strong opposition has recently developed in Canada to the grinding of Canadian wheat in American mills for export of flour. It is planned to make this milling practice unprofitable and therefore impossible. A favorite proposal is for some sort of export tax placed against all wheat passing out of Canada into the United States, to be cancelled without cost to the exported on proof that the wheat had been re-exported from the United States unground or had paid the American tariff duty if ground in the United States.

Canadian Millers Favor

"The agitation against milling of Canadian wheat in transit in the United States is naturally favored by Canadian millers. It receives little support from students of transportation, who understand the details, costs and problems of the wheat movement. Up to the present, it has been opposed by the Prairie Provinces, since the farmers fear that to make impossible the grinding of Canadian wheat in American mills would narrow their market and tend to depress their price. It is the theory of the Canadian mills that if the milling of Canadian wheat for export of flour were made impossible in the United States, the grindings of Canadian mills would be increased in such proportion as to represent their taking over of the inhibited American grindings. Wheat growers and grain dealers in the Prairie Provinces doubt the correctness of this forecast, and are adverse to the elimination of any one buying group. Up to the present, therefore, despite the rather sympathetic treatment accorded to the idea in the report of the Royal Grain Enquiry Commission (1925), no action has been taken.

"The Canadian millers assume that if American mills did not grind Canadian wheat for export of flour, importers throughout the world would increase proportionately their purchases of Canadian flour. There is merit in this assumption, since the American and Canadian flours ground from Canadian wheat compete directly in foreign markets. It is, however, probable that mills in importing countries would increase their grindings of Canadian wheat if the American mills dropped out of the trade.

Tariff in Mill Feed

"The tariff on mill feed does not seem directly to influence the volume of import of mill feed from Canada. The east-of-the-lakes Canadian millers must export mill feed at whatever price they can obtain; a low or high price finds reflection in the cost of their flour passing into export trade. As Canadian milling for export increases, they must unload more and more mill feed in the United States. A low American tariff on mill feed favors export of Canadian flour; a high tariff has the opposite effect.

"Trade pride as well as national pride has been invoked by the Canadian millers. Contending that the best American export flours, and American trademarks, would lose their reputations if our export flours were ground only from American wheats, Canadian millers asseverate that American foreign trade in flours includes theft of Canadian quality and reputation, whereby they are deprived of a natural monopoly of hard-spring-wheat bread flour in the world market. But it must be recalled that it was American millers who originally set the high standards for spring-wheat flour in foreign markets.

"If measures to restrict this business were put in force, American milling concerns could protect their export trade by building mills in Canada, leaving idle mills at home. They could probably do this advantageously compared with many Canadian mills, because the relations of transportation, storage, power, and other cost factors are now more clearly appraisable than was possible when many of the Canadian mills were built. An American mill invasion would be distasteful to existing Caandian milling companies, but it is exactly what Canadian Nationalists want—namely, enlargement of Canadian industries, Canadian Nationlists are not averse to the importation of American capital, though they might prefer British capital; what they are concerned with is the establishment of manufacturing plants in Canada for the conversion of Canadian raw materials into manufacturers to be shipped abroad. A country in the extractive stage of development naturally desires to build up manufacturers if she possesses capital, labor, fuel and transportation for such undertakings. Thus Canada wishes to export wood pulp instead of pulp wood, and news print instead of paper pulp. The desire to export flour instead of wheat springs from the same natural impulse.

Call Position Untenable

"Broadly considered as a doctrine in international commerce, the position of the Canadian millers is untenable, since it would lead to a dictum that the primary right of manufacture of raw material rests with the country of origin of raw materials. Canadian wheat is imported and ground for export of flour not only in the United States, but also in Japan and in a number of European countries. Hungary has been importing wheat from as far as Argentine to be milled for export of flour. The industries of Great Britain are founded on foreign trade in manufactures of imported raw materials. The practice of importing raw materials and exporting the finished goods under the name of the manufacturing country is world-wide. Manufacturers in many lines enjoy the privilege of duty-free importation of raw materials for the export of finished goods. Canada is beginning to export the manufactures of imported raw cotton, silk, jute and hemp. With the development of Canadian hydro-electric power, the practice of importing raw materials for manufacture into products for export will inevitably expand. Thus Canadian manufacturers cannot consistently endorse the principle underlying the demand of the Canadian millers. It is not evident that it is to the interest of Canada to set up a system of export taxes on raw materials to all destinations; to single out the United States in the levy of export taxes can scarcely be contemplated."

Steel of Canada Pays Regular Dividend Only

MONTREAL.—The regular dividends of 1¾ per cent. on both common and preferred stocks were declared by directors of the Steel Company of Canada at their meeting yesterday. It was rumored in the Street during the afternoon that though none had been anticipated and apparently none was taken. The rumor resome special action might be taken, alsulted in no special action of the stocks, both being quiet, the common selling up ½ to 115½ and the preferred being off a point at 122. These levels are relatively high and have attracted considerable attention, particularly in view of the fact that the stocks for a long time, and not so long ago, were among the highest investment yielders of the local list.

The company is in splendid financial position being one of the strongest industrials in Canada in the matter of working capital. That some part of the large cash surplus not needed for necessary expansions to meet the requirements of the company's business and to provide a reserve fund for dividends in the inevitable lean years, might some day be distributed in some manner to shareholders has been a theory. This surplus was built up in fat years during which the shareholders received no special considerations contrary to the case in so many companies. The wisdom of the course of maintaining a large cash surplus, however, was amply demonstrated when, in the lean two years which followed the post-war influence, the company was able to maintain dividends without interruption and without making any serious inroad upon working capital. The funded debt of the company is being rapidly reduced and it will not be long before interest received from investments will more than take care of the company's bond interest.

Twin City to Give Rates Further Try Before Appeal

Directors of Twin City Rapid Transit Co., have announced declaration of a 1¼ per cent. quarterly dividend on the common shares of the company which serves Minneapolis and St. Paul.

Earnings of this traction company are supposed to be equal to 7½ per cent. of the valuation fixed by the railroad and warehouse commission of Minnesota. The valuation has been agreed to and by state law the commission is directed to fix the rates which will bring the return. The rates which have been in operation for several months have not brought in 7½ per cent. Nevertheless, there has been an improvement over the return of 1925 and previous years. It is understood that the directors have decided to give the existing rates a further six-months' trial before appealing again to the commission.

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"It is a wonderful book, and should certainly be in the office of every business man in Canada."—Files and Smith, Hardware Jobbers, Winnipeg.

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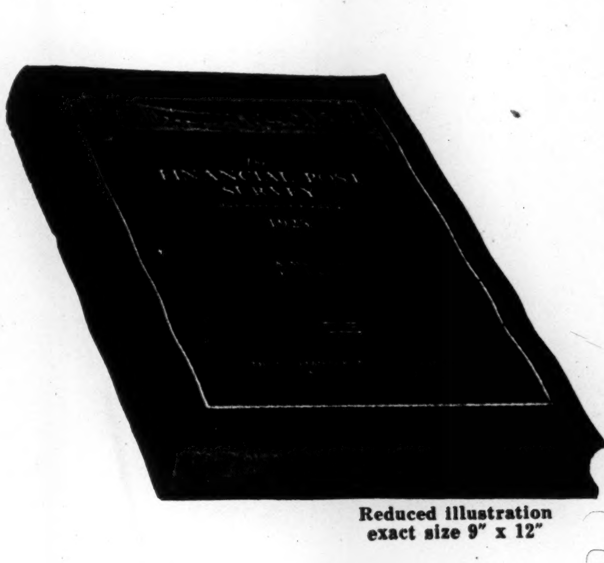
The Financial Post Survey 1927



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